

## RULES CHANGE COMMITTEE

### Revision to RCC Resolutions Nos. 2020-07, 2020-15 and 2021-16 on the Proposed Amendments to the Guidelines Governing the Constitution of PEM Board Committees, Issue 4.0



Effective Date : 18 March 2022

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**WHEREAS**, the WESM Manual on the Guidelines Governing the Constitution of PEM Board Committees (WESM-GDL) provides for the qualifications and disqualification of members of the PEM Board Committees and process of their selection and appointment;

**WHEREAS**, the Philippine Electricity Market Corporation (PEMC) submitted to the Rules Change Committee (RCC) the proposed general amendments to the WESM GDL on 11 February 2020, which was approved and endorsed to the PEM Board by the RCC through RCC Resolution No. 2020-07 as further amended by RCC Resolution No. 2020-15;

**WHEREAS**, RCC Resolution No. 2020-07 approved the following revisions to the WESM-GDL:

1. Adoption of independence qualification for WESM Governance Committee (WGC) Members under DOE DC2018-01-0002 (IMO Transition) and a transitory provision for the implementation of the revised criteria for independence, such that the outgoing members affected by such revised criteria can complete the duration of their current terms;
2. Replacement of "PEM Board Committees" with "WESM Governance Committees" for consistency with DOE DC No. 2010-007-0008 entitled Adopting Policies for the Effective and Efficient Transition to the Independent Market Operator for the Wholesale Electricity Spot Market;
3. Revision on the WGC membership, to ensure that its number is adequate to support the volume of work assigned to them, as follows:
  - a. For the PEM Audit Committee (PAC) – from maximum of three (3) members to at least three (3) members
  - b. For the Market Surveillance Committee (MSC) – from maximum of five (5) members to at least five (5) members;
  - c. For the Technical Committee (TC) – from at least five (5) independent members to nine (9) members, composed of five (5) independent members, one (1) member representing the generation sector, one (1) member representing the distribution sector, one (1) member representing the System Operator and one (1) member representing the Market Operator.
4. Deletion of definition of terms that are defined under the WESM Rules.

**WHEREAS**, RCC Resolution No. 2020-15 amended RCC Resolution No. 2020-07, particularly on the composition of the Technical Committee back to five (5) members, composed of one (1) independent member, one (1) member representing the generation sector, one (1) member representing the distribution sector, one (1) member representing the System Operator and one (1) member representing the Market Operator;

**WHEREAS**, the PEM Board approved the endorsements made by the RCC through the aforementioned resolutions and submitted the same to the Department of Energy (DOE) for approval on 20 August 2020 as contained in PEM Board Resolution No. 2020-26-02 dated 29 July 2020;

**WHEREAS**, the DOE remanded the proposal thru a letter dated 23 September 2021 directing PEMC to further enhance and review the (1) formation of WESM WGC by incorporating the Compliance Committee as introduced in DOE Department Circular 2020-10-0021 entitled Adopting Further Amendments to the WESM Rules (Provisions for the Implementation of the Independent Market Operator), and (2) composition of the WGC by revisiting the independent criteria as major consideration in the composition to ensure consumer protection, enhance the competitive operation of the WESM, and promote investor confidence;

**WHEREAS**, on 17 February 2022, PEMC submitted its proposed revisions to further enhance and rectify the proposal following the guidance of the DOE and as reflected in the following proposed sections of the manual:

1. On the formation of WGCs
  - a. Section 2 – Formation of the Committees (revised the provision to include the Compliance Committee as one of the PEM Board’s working group).
  - b. Section 10 – The Compliance Committee (new provision providing the requisite qualifications for a Compliance Committee member, its responsibilities, term of office and conduct of business, voting and procedure).
2. On the composition of WGCs
  - a. Section 3.2.8 – Nomination (new provision allowing self-nomination as an independent member of WGC).
  - b. Section 5.5 – PEM Audit Committee; Section 6.5 – Market Surveillance Committee; Section 7.5 – Rules Change Committee; Section 8.5 – Technical Committee; and Section 10.5 – Compliance Committee (revised the provision clarifying that reappointment as WGC member shall not be made for more than three (3) consecutive terms).
  - c. Section 8.1 – Composition of the Technical Committee (revised the provision for membership composition to five (5) members composed of four (4) independent members and one (1) member representing the System Operator. The independent members shall be composed of one (1) economist, one (1) information technology expert and two (2) electricity market experts who are not connected to any WESM Members or the Market Operator).

**WHEREAS**, the RCC, during its 191<sup>st</sup> RCC Regular Meeting on 18 February 2022, deliberated the proposal and further revised the composition of the Technical Committee as follows: six (6) members composed of four (4) independent members, one (1) member representing the System Operator, and one (1) member representing the Market Operator. The independent members shall be composed of one (1) economist, one (1) information technology expert and two (2) power industry experts;

**WHEREAS**, the DOE thru its letter dated 24 February 2022 informed the RCC that it has deferred the adoption of the proposed amendments to the WESM Manual Governing the Constitution of the PEM Board Committees for the implementation of enhancements related to audit and performance monitoring pursuant to PEM Board Resolution No. 2021-41-01 as endorsed by the RCC thru Resolution No. 2021-16 entitled Revisions to RCC Resolution No. 2019-04 on the Proposed Amendments to the WESM Rules, Retail Rules and Market Manuals Related to Audit and Performance Monitoring;

**WHEREAS**, during the 192<sup>nd</sup> RCC Regular Meeting on 18 March 2022, the RCC approved the harmonization made by the Secretariat of the subject proposed amendments with those on the WESM Manual on Guidelines Governing the Constitution of PEM Board Committees relating to the PEM Audit Committee as provided under RCC Resolution No. 2021-16, as follows:

Revisions to RCC Resolutions Nos. 2020-07, 2020-15 and 2021-16 on the Proposed Amendments to the Guidelines Governing the Constitution of PEM Board Committees, Issue 4.0

1. Adopted PEMC's proposed revisions to the Recital and Section 1, Definition of Terms, as provided in the resubmitted proposal on 17 February 2022, which was approved by the RCC during its 191st RCC Regular Meeting on 18 February 2022; and
2. Retained the proposed changes to Section 5.04, Responsibilities, by the PEM Audit Committee and as approved by the RCC under RCC Resolution No. 2021-16, for inclusion in the subject proposal.

**WHEREAS**, during the same meeting on 18 March 2022, the RCC approved further changes, as follows:

1. On the Term of Office of WESM Governance Committee (WGC) Members – clarified that WGC members may be eligible for reappointment, but in no case that a member shall serve for more than three (3) consecutive terms. The service by a member for less than one year shall not be considered one term.
2. On Compliance Committee Membership – required that one (1) member should be a lawyer and the vacancy of the lawyer-member position will not affect the existence of a quorum for the purpose of allowing the Committee to continue to function in the interim.
3. On Technical Committee Membership – revised the composition of membership as follows:
  - Four (4) independent members, composed of one (1) economist, one (1) Information Technology expert and two (2) power industry experts covering generation and distribution operation
  - One (1) member from the System Operator
  - One (1) member from the Market Operator

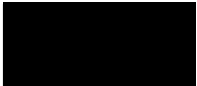



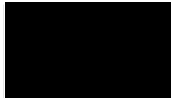

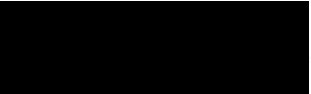
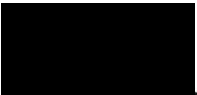

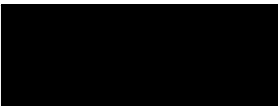

**NOW THEREFORE**, we, the undersigned, on behalf of the sectors we represent, hereby resolve *via* electronic communication platform, as follows:

**RESOLVED**, that the RCC approves the revisions to RCC Resolutions Nos. 2021-16, 2020-07 and 2021-15 on the proposed amendments to the Guidelines Governing the Constitution of PEM Board Committees, Issue 4.0 such that the proposed amendments herein supersede those in the said resolutions;

**RESOLVED FURTHER**, that the said Proposed Amendments to the Guidelines Governing the Constitution of PEM Board Committees, Issue 4.0 is hereby endorsed to the PEM Board for approval and subsequent transmittal to the DOE for promulgation (Annex).

Done this 18<sup>th</sup> day of March 2022 *via* Microsoft Teams.

Revisions to RCC Resolutions Nos. 2020-07, 2020-15 and 2021-16 on the Proposed Amendments to the Guidelines Governing the Constitution of PEM Board Committees, Issue 4.0

Approved by: <b>THE RULES CHANGE COMMITTEE</b>	
Independent Members:	
 <b>Concepcion J. Tanglao</b>	 <b>Jesúsito G. Morallos</b>
 <b>Fernando Martín Y. Roxas</b>	 <b>Jose Roderick F. Fernando</b>
Generation Sector Members:	
 <b>Dixie Anthony R. Banzon</b> Masinloc Power Partners Co. Ltd. (MPPCL)	 <b>Cherry A. Javier</b> Aboitiz Power Corp. (APC)
 <b>Carlito C. Claudio</b> Millennium Energy, Inc./ Panasia Energy, Inc. (MEI/PEI)	 <b>Mark D. Habana</b> Vivant Corporation - Philippines (Vivant)
Distribution Sector Members:	
 <b>Virgilio C. Fortich, Jr.</b> Cebu III Electric Cooperative, Inc. (CEBECO III)	 <b>Ryan S. Morales</b> Manila Electric Company (MERALCO)
 <b>Ricardo G. Gumalal</b> Iligan Light and Power, Inc. (ILPI)	 <b>Nelson M. Dela Cruz</b> Nueva Ecija II Area 1 Electric Cooperative, Inc. (NEECO II – Area 1)



Supply Sector Member:
<div> <b>Lórreto H. Rivera</b> TeaM (Philippines) Energy Corporation (TPEC)</div>
Market Operator Member:
<div> <b>Isidro E. Cacho, Jr.</b> Independent Electricity Market Operator of the Philippines (IEMOP)</div>
System Operator Member:
<div> <b>Ambrocio R. Rosales</b> National Grid Corporation of the Philippines (NGCP)</div>



**Proposed Amendments to the Guidelines Governing the Constitution of the PEM Board Committees, Issue 4.0**

Title	Section	Provision	PEM Board-Approved Proposed Amendment (2020)	Proposed Amendment (2022) <sup>1</sup>	Rationale
Manual Title		Guidelines Governing the Constitution of PEM Board Committees	Guidelines Governing the Constitution of <del>PEM</del> Board <b><u>WESM Governance</u></b> Committees	Guidelines Governing the Constitution of <del>PEM</del> Board <b><u>WESM Governance</u></b> Committees	<ul style="list-style-type: none"> <li>• Reflect that this Market Manual refers solely to WESM Governance Committees</li> <li>• Use of "WESM Governance Committee" is consistent with Sections 7.2.9.2 (c) &amp; (d) of the WESM Rules per DOE DC No. 2010-007-0008 dated 30 June 2010 and DOE DC No. 2021-08-0026 dated 30 July 2021.</li> </ul>
Recitals		Recitals xxx	<del>Recitals</del> <del>xxx</del>	<del>Recitals</del> <del>xxx</del>	<ul style="list-style-type: none"> <li>• The recitals are no longer applicable as it narrates the approval of the GDL Manual by the PEM Board.</li> <li>• For consistency with the format of Market Manuals</li> <li>• For DOE: Overrides the proposal under PEM Board Resolution No. 2021-41-01 / Resolution No. 2021-16</li> </ul>

<sup>1</sup> Changes in 2022 submission are marked in red font.

Title	Section	Provision	PEM Board-Approved Proposed Amendment (2020)	Proposed Amendment (2022) <sup>1</sup>	Rationale
Definition of Terms	1	Article I. Definition of Terms	<del>Article I.</del> <b>Section 1</b> Definition of Terms	<del>Article I.</del> <b>Section 1</b> Definition of Terms	<ul style="list-style-type: none"> <li>• Use of “Section” instead of “Article” – For consistency with the format of Market Manuals</li> </ul>
		(new)	<b>1.1 Unless otherwise defined in this section or the context provides otherwise, the terms used in this <i>Market Manual</i> shall bear the same meaning as defined in the <i>WESM Rules</i>.</b>	<b>1.1 Unless otherwise defined in this section or the context provides otherwise, the terms used in this <i>Market Manual</i> shall bear the same meaning as defined in the <i>WESM Rules</i>.</b>	<ul style="list-style-type: none"> <li>• For consistency with the format of Market Manuals</li> </ul>
Definition of Terms	1.02	Section 1.02 The following terms and expressions shall have the meanings set forth below:	<del>Section 1.02</del> <b>1.2</b> The following terms and expressions shall have the meanings set forth below:	<del>Section 1.02</del> <b>1.2</b> The following terms and expressions shall have the meanings set forth below:	<ul style="list-style-type: none"> <li>• For consistency with the format of Market Manuals</li> </ul>
	1.02	(a) “Act” or “EPIRA” xxx  (b) “Applicable Laws and Rules” shall include the EPIRA and its Implementing Rules, the WESM Rules, the Philippine Grid Code, Philippine Distribution Code and all other laws, rules and regulations relating to or affecting the WESM.	<del>(a) “Act” or “EPIRA” xxx</del>  (b) <del>a.</del> “Applicable Laws and Rules” shall include. <b>Include</b> the <i>EPIRA</i> and its Implementing Rules, the <i>WESM Rules</i> , the <i>Philippine Grid Code</i> , <i>Philippine Distribution Code</i> and all other laws, rules and regulations relating to or affecting the <i>WESM</i> .	<del>(a) “Act” or “EPIRA” xxx</del>  (b) <del>a.</del> “Applicable Laws and Rules” shall include. <b>Include</b> the <i>EPIRA</i> and its Implementing Rules, the <i>WESM Rules</i> , the <i>Philippine Grid Code</i> , <i>Philippine Distribution Code</i> and all other laws, rules and regulations relating to or affecting the <i>WESM</i> .	<ul style="list-style-type: none"> <li>• In reference to Section 1.1, as amended, deleted term that is a defined term under the WESM Rules</li> <li>• For consistency with the format of Market Manuals</li> </ul>
Definition of Terms	1.02	(c) “Dispute Resolution Administrator” or “DRA” xxx	<del>(c) “Dispute Resolution Administrator” or “DRA” xxx</del>	<del>(c) “Dispute Resolution Administrator” or “DRA” xxx</del>	<ul style="list-style-type: none"> <li>• In reference to Section 1.1, as amended, deleted term that is a defined term under the WESM Rules</li> <li>• Harmonize with DOE DC No. DC2012-02-0001 dated 15 February 2012, which amended Clause 7.3.2.1 of the WESM Rules on the appointment of the DRA</li> </ul>

Title	Section	Provision	PEM Board-Approved Proposed Amendment (2020)	Proposed Amendment (2022) <sup>1</sup>	Rationale
		(d) "Dispute Resolution Group" or "DRG" xxx (e) "Dispute Resolution Panel" or "DRP" xxx	<del>(d) "Dispute Resolution Group" or "DRG" xxx</del> <del>(e) "Dispute Resolution Panel" or "DRP" xxx</del>	<del>(d) "Dispute Resolution Group" or "DRG" xxx</del> <del>(e) "Dispute Resolution Panel" or "DRP" xxx</del>	<ul style="list-style-type: none"> <li>To reflect amendments as per DOE DC2018-05-0016 (DRA)</li> </ul>
		(f) "Distribution Code" or the "Philippine Distribution Code" xxx (g) "Department of Energy" xxx (h) "Energy Regulatory Commission" xxx	<del>(f) "Distribution Code" or the "Philippine Distribution Code" xxx</del> <del>(g) "Department of Energy" xxx</del> <del>(h) "Energy Regulatory Commission" xxx</del>	<del>(f) "Distribution Code" or the "Philippine Distribution Code" xxx</del> <del>(g) "Department of Energy" xxx</del> <del>(h) "Energy Regulatory Commission" xxx</del>	<ul style="list-style-type: none"> <li>In reference to Section 1.1, as amended, deleted terms that are defined terms under the WESM Rules</li> </ul>
Definition of Terms	1.02	(new)	<b><u>(b) Enforcement and Compliance Office or ECO. The organic unit in PEMC created to investigate alleged breaches and enforce sanctions against the Market Operator, System Operator and WESM Members.</u></b>	<del><b><u>(b) Enforcement and Compliance Office or ECO. The organic unit in PEMC created to investigate alleged breaches and enforce sanctions against the Market Operator, System Operator and WESM Members.</u></b></del>	<ul style="list-style-type: none"> <li>Term is already defined in the WESM Rules per DOE DC 2021-08-0026</li> </ul>
		(i) "Government" xxx (j) "Grid Code" or "Philippine Grid Code" xxx	<del>(i) "Government" xxx</del> <del>(j) "Grid Code" or "Philippine Grid Code" xxx</del>	<del>(i) "Government" xxx</del> <del>(j) "Grid Code" or "Philippine Grid Code" xxx</del>	<ul style="list-style-type: none"> <li>In reference to Section 1.1, as amended, deleted term that is a defined term under the WESM Rules</li> </ul>
		(k) "Grid Management Committee" or "GMC" xxx	<del>(k) "Grid Management Committee" or "GMC" xxx</del>	<del>(k) "Grid Management Committee" or "GMC" xxx</del>	<ul style="list-style-type: none"> <li>Reflect changes due to the dissolution of the GMC Office.</li> </ul>
		(l) "Guidelines" refer to this document otherwise called: "Guidelines Governing the Constitution of the PEM Board Committees."  (m) "Market Information Website" xxx	<del>(l) (c) "Guidelines. This" refer to this document otherwise called: "Guidelines Governing the Constitution of the PEM Board <b><u>WESM Governance</u></b> Committees."</del> <del>(m) "Market Information Website" xxx</del>	<del>(l) (c) "Guidelines. This" refer to this document otherwise called: "Guidelines Governing the Constitution of the PEM Board <b><u>WESM Governance</u></b> Committees."</del> <del>(m) "Market Information Website" xxx</del>	<ul style="list-style-type: none"> <li>Reflect that this Manual refers solely to WESM Governance Committees.</li> <li>In reference to Section 1.1, as amended, deleted term that is a defined term under the WESM Rules</li> </ul>



Title	Section	Provision	PEM Board-Approved Proposed Amendment (2020)	Proposed Amendment (2022) <sup>1</sup>	Rationale
					<ul style="list-style-type: none"> <li>On item (m) - For DOE: Overrides the proposal under PEM Board Resolution No. 2021-41-01 / RCC Resolution No. 2021-16</li> </ul>
Definition of Terms	1.02	(n) "Market Manuals" xxx	<del>(n) "Market Manuals" xxx</del>	<del>(n) "Market Manuals" xxx</del>	<ul style="list-style-type: none"> <li>In reference to Section 1.1, as amended, deleted term that is a defined term under the WESM Rules, as amended by DOE DC No. DC2018-07-0018</li> </ul>
		(o) "Market Surveillance Committee" or "MSC" xxx  (p) "PEM Auditor" xxx  (q) "PEM Audit Committee" xxx  (r) "PEM Board" xxx	<del>(o) "Market Surveillance Committee" or "MSC" xxx</del>  <del>(p) "PEM Auditor" xxx</del>  <del>(q) "PEM Audit Committee" xxx</del>  <del>(r) "PEM Board" xxx</del>	<del>(o) "Market Surveillance Committee" or "MSC" xxx</del>  <del>(p) "PEM Auditor" xxx</del>  <del>(q) "PEM Audit Committee" xxx</del>  <del>(r) "PEM Board" xxx</del>	<ul style="list-style-type: none"> <li>Deletion of "PEM Auditor" and definition of "PEM Audit Committee" in the WESM Rules have been previously approved by the RCC (Resolution No. 19-04 as amended by Resolution No. 2021-16) and the PEM Board (Resolution 2019-10-10).</li> <li>In reference to Section 1.1, as amended, deleted term that is a defined term under the WESM Rules</li> </ul>
Definition of Terms	1.02	(s) "PEM Board Committees" or "PEM Committees" xxx  (t) "Other PEM Board Committees" or "Other Board Committees" or "Other Board Committees" xxx	<del>(s) "PEM Board Committees" or "PEM Committees" xxx</del>  <del>(t) "Other PEM Board Committees" or "Other Board Committees" or "Other Board Committees" xxx</del>	<del>(s) "PEM Board Committees" or "PEM Committees" xxx</del>  <del>(t) "Other PEM Board Committees" or "Other Board Committees" or "Other Board Committees" xxx</del>	<ul style="list-style-type: none"> <li>Reflect that this Manual refers solely to WESM Governance Committees. The definition for 'WESM Governance Committees' is provided in item (x), as amended.</li> </ul>

Title	Section	Provision	PEM Board-Approved Proposed Amendment (2020)	Proposed Amendment (2022) <sup>1</sup>	Rationale
		(u) "Philippine Electricity Market Corporation" (PEMC) OR "Market Operator" (MO) xxx	<del>(u) "Philippine Electricity Market Corporation" (PEMC) OR "Market Operator" (MO) xxx</del>	<del>(u) "Philippine Electricity Market Corporation" (PEMC) OR "Market Operator" (MO) xxx</del>	<ul style="list-style-type: none"> <li>In reference to Section 1.1, as amended, deleted term that is a defined term under the WESM Rules. PEMC and MO are defined separately under the WESM Rules</li> </ul>
		(v) "PEMC Charter" refers to the Articles of Incorporation and By-laws of the Philippine Electricity Market Corporation that was approved by the Securities and Exchange Commission on 18 November 2003.	<del>(v) (d) "PEMC Charter <u>Articles of Incorporation and By-laws.</u>" refers to the Articles of Incorporation and By-laws <u>The legal documents establishing the creation</u> of the Philippine Electricity Market Corporation that was approved by the Securities and Exchange Commission on 18 November 2003.</del>	<del>(v) (d) "PEMC Charter <u>Articles of Incorporation and By-laws.</u>" refers to the Articles of Incorporation and By-laws <u>The legal documents establishing the creation</u> of the Philippine Electricity Market Corporation that was approved by the Securities and Exchange Commission on 18 November 2003.</del>	<ul style="list-style-type: none"> <li>To use the appropriate term for the legal documents establishing the creation of PEMC.</li> <li>Enhancement and re-numbering for consistency with the format of Market Manuals</li> </ul>
Definition of Terms	1.02	(new)	<b><u>(e) PEMC Website. The facility established to publish information, which is then available to and may be accessed by WESM Members and the public.</u></b>	<b><u>(e) 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.</u></b>	<ul style="list-style-type: none"> <li>To clarify that the public can also access information from the PEMC website as clarified in DOE DC2021-10-0034.</li> <li>To differentiate the Governance Arm Website from the Market Information Website being managed by the MO and defined under the WESM Rules.</li> </ul>
		(w) "Person" refers to a natural person.	<del>(w) (f) "Person" refers to a <u>A</u> natural person.</del>	<del>(w) (f) "Person" refers to a <u>A</u> natural person.</del>	<ul style="list-style-type: none"> <li>Enhancement and re-numbering for consistency with the format of Market Manuals</li> </ul>

Title	Section	Provision	PEM Board-Approved Proposed Amendment (2020)	Proposed Amendment (2022) <sup>1</sup>	Rationale
Definition of Terms	1.02	(x) "Rules Change Committee" xxx  (y) "Sector" refers to the Generation, Distribution, Transmission or Supply Sector.  (z) "Technical Committee" xxx	<del>(x) "Rules Change Committee" xxx</del>  (y) <b>(h)</b> "Sector" <del>refers.</del> <b>Refers</b> to the Generation, Distribution, Transmission or Supply Sector.  <del>(z) "Technical Committee" xxx</del>	<del>(x) "Rules Change Committee" xxx</del>  (y) <b>(h)</b> "Sector" <del>refers.</del> <b>Refers</b> to the Generation, Distribution, Transmission or Supply Sector.  <del>(z) "Technical Committee" xxx</del>	<ul style="list-style-type: none"> <li>• In reference to Section 1.1, as amended, deleted terms that are defined terms under the WESM Rules.</li> <li>• Enhancement and re-numbering for consistency with the format of Market Manuals</li> </ul>
Definition of Terms	1.02	(new)	<b><u>(i) WESM Governance Committees. It refers to the working groups created by the PEM Board pursuant to Clause 1.4.6 of the WESM Rules.</u></b>	<del><b><u>(i) WESM Governance Committees. The working groups created by the PEM Board to perform particular functions as well as to assist the Board in the discharge of its duties.</u></b></del>	<ul style="list-style-type: none"> <li>• Term already defined in the WESM Rules.</li> </ul>
		(aa) "Wholesale Electricity Spot Market" or "WESM" xxx  (bb) "WESM Member" xx  (cc) "WESM Rules" xx	<del>(aa) "Wholesale Electricity Spot Market" or "WESM" xxx</del>  <del>(bb) "WESM Member" xx</del>  <del>(cc) "WESM Rules" xx</del>	<del>(aa) "Wholesale Electricity Spot Market" or "WESM" xxx</del>  <del>(bb) "WESM Member" xx</del>  <del>(cc) "WESM Rules" xx</del>	<ul style="list-style-type: none"> <li>• In reference to Section 1.1, as amended, deleted terms that are defined terms under the WESM Rules.</li> </ul>
Definition of Terms	1.03	Section 1.03 Independent of Philippine electric power industry. xxx	<del>Section 1.03 Independent of Philippine electric power industry. xxx</del>	<del>Section 1.03 Independent of Philippine electric power industry. Xxx</del>	<ul style="list-style-type: none"> <li>• Provisions on Criteria for Independence, which are consistent with the DOE DC No. 2018-01-0002, are inserted as proposed new Section 4.3</li> </ul>
	1.04	Section 1.04 Rules of Construction. xxx	<del>Section 1.04 <b>1.3</b> Rules of Construction. xxx</del>	<del>Section 1.04 <b>1.3</b> Rules of Construction. xxx</del>	<ul style="list-style-type: none"> <li>• Re-numbering</li> </ul>

Title	Section	Provision	PEM Board-Approved Proposed Amendment (2020)	Proposed Amendment (2022) <sup>1</sup>	Rationale
Formation of the Committees	2	Article II. Formation of the Committees	Article II. <b>Section 2</b> Formation of the Committees	Article II. <b>Section 2</b> Formation of the Committees	<ul style="list-style-type: none"> <li>Enhancement and re-numbering for consistency with the format of Market Manuals</li> </ul>
	2.01	<p>Section 2.01 PEM Board Committees. The PEM Board shall form working groups and appoint qualified personnel who shall act as the following:</p> <p>(a) A PEM Audit Committee, headed by the PEM Auditor;</p> <p>(b) A Market Surveillance Committee;</p> <p>(c) A Technical Committee;</p> <p>(d) A Rules Change Committee; and</p> <p>(e) A Dispute Resolution Group, headed by the Dispute Resolution Administrator.</p> <p>(f) Board Committees as deemed necessary by the Board to assist in the performance of its functions, such as:</p> <p>(i) Board Review Committee (BRC) – refers to a committee to assist the PEM Board in the review of items for Board agenda discussion and other matters as may be assigned by the Board.</p> <p>The BRC shall be composed of three (3) Members, one Director must be the representative of PEMC, another from DOE and</p>	<p>Section 2.01 <b>2.1. WESM Governance</b> Board Committees. The <i>PEM Board</i> shall form working groups and appoint qualified personnel <b>members</b> who shall act as the following:</p> <p>(a) <del>A PEM Audit Committee, headed by the PEM Auditor;</del></p> <p>(b) <del>A Market Surveillance Committee;</del></p> <p>(c) <del>A Technical Committee;</del></p> <p>(d) <del>A Rules Change Committee; and</del></p> <p>(e) <del>A Dispute Resolution Group, headed by the Dispute Resolution Administrator.</del></p> <p>(f) <del>Board Committees as deemed necessary by the Board to assist in the performance of its functions, such as:</del></p> <p>(i) <del>Board Review Committee (BRC) – refers to a committee to assist the PEM Board in the review of items for Board agenda discussion and other matters as may be assigned by the Board.</del></p> <p>The BRC shall be composed of three (3) Members, one Director must be</p>	<p>Section 2.01 <b>2.1. WESM Governance</b> <del>PEM Board</del> Committees. The <i>PEM Board</i> shall form working groups and appoint qualified personnel <b>members</b> who shall act as the following:</p> <p>(a) <del>A PEM Audit Committee, headed by the PEM Auditor;</del></p> <p>(b) <del>A Market Surveillance Committee;</del></p> <p>(c) <del>A Technical Committee;</del></p> <p>(d) <del>A Rules Change Committee; and</del></p> <p>(e) <del>A Dispute Resolution Group, headed by the Dispute Resolution Administrator; and</del></p> <p>(f) <b>Compliance Committee</b> Board Committees as deemed necessary by the Board to assist in the performance of its functions, such as:</p> <p>(i) <del>Board Review Committee (BRC) – refers to a committee to assist the PEM Board in the review of items for Board agenda discussion and other matters as may be assigned by the Board.</del></p>	<ul style="list-style-type: none"> <li>Harmonize with DOE DC No. DC2018-05-0016.</li> <li>Revision to (a) is consistent with the RCC (Resolution Nos. 19-04 and 2021-16) and the PEM Board (Resolution 2019-10-10).</li> <li>On deletion of item (f): Reflect that this Manual refers solely to WESM Governance Committees. PEMC will promulgate a separate Manual on Corporate Governance which shall provide the functions of non-governance PEM Board Committees (i.e. BRC, BSC).</li> <li>Consistent with the provisions of the WESM Rules Section 1.8 per DOE DC 2020-10-2021 dated October 2020, constituting a Compliance Committee</li> </ul>

Title	Section	Provision	PEM Board-Approved Proposed Amendment (2020)	Proposed Amendment (2022) <sup>1</sup>	Rationale
		<p>chaired by an Independent Director.</p> <p>(ii) Board Selection Committee (BSC) – refers to a committee to assist the PEM Board in the selection of qualified members of the WESM Governance Committees and Board Committees.</p> <p>The BSC shall be composed of three (3) Members, one Director must be the representative of PEMC, another from the DOE and chaired by an Independent Director.</p>	<p><del>the representative of PEMC, another from DOE and chaired by an Independent Director.</del></p> <p><del>(ii) Board Selection Committee (BSC) – refers to a committee to assist the PEM Board in the selection of qualified members of the WESM Governance Committees and Board Committees.</del></p> <p><del>The BSC shall be composed of three (3) Members, one Director must be the representative of PEMC, another from the DOE and chaired by an Independent Director.</del></p>	<p><del>The BRC shall be composed of three (3) Members, one Director must be the representative of PEMC, another from DOE and chaired by an Independent Director.</del></p> <p><del>(ii) Board Selection Committee (BSC) – refers to a committee to assist the PEM Board in the selection of qualified members of the WESM Governance Committees and Board Committees.</del></p> <p><del>The BSC shall be composed of three (3) Members, one Director must be the representative of PEMC, another from the DOE and chaired by an Independent Director.</del></p>	<ul style="list-style-type: none"> <li>Enhancement and re-numbering for consistency with the format of Market Manuals</li> </ul>
Formation of the Committees		(new)	<b><u>2.2 The PEM Board shall approve an annual budget allocation for the WESM Governance Committees, in support of their duties and functions.</u></b>	<b><u>2.2 The PEM Board shall approve an annual budget allocation for the WESM Governance Committees, in support of their duties and functions.</u></b>	<ul style="list-style-type: none"> <li>Provide basis for the allocation of budget for WGCs to support them in carrying out their activities</li> </ul>
	2.02	Section 2.02 The PEM Board Committees shall primarily assist the PEM Board and/or the DOE 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:	Section 2.02 <b><u>2.3.</u></b> The PEM Board <b><u>WESM Governance Committees</u></b> shall primarily assist the <del>PEM Board</del> , and/or the DOE, <del>the ERC,</del> <b><u>and/or the PCC</u></b> in the formulation of policies that will help in the achievement of the <i>WESM</i> objectives of establishing a sustainable, competitive, efficient, transparent and reliable market for electricity where:	Section 2.02 <b><u>2.3.</u></b> The PEM Board <b><u>WESM Governance Committees</u></b> shall primarily assist the <del>PEM Board</del> , and/or the <del>DOE</del> , <b><u>and the ERC</u></b> in the formulation of policies that will help in the achievement of the <i>WESM</i> objectives of establishing a sustainable, competitive, efficient, transparent and reliable market for electricity where:	<ul style="list-style-type: none"> <li>Clarify that this Market Manual solely pertains to WESM Governance Committees.</li> <li>Include the ERC among agencies to which WESM Governance Committees may also provide assistance.</li> </ul>

Title	Section	Provision	PEM Board-Approved Proposed Amendment (2020)	Proposed Amendment (2022) <sup>1</sup>	Rationale
		xxx	xxx	xxx	<ul style="list-style-type: none"> <li>Enhancement and re-numbering for consistency with the format of Market Manuals</li> </ul>
Formation of the Committees	2.03	Section 2.03 Observance of the EPIRA and its IRR, the WESM Rules and PEMC Charter. All Committees, in the performance of its functions, shall be guided by the provisions of and principles under the EPIRA and its implementing rules, the WESM Rules and the PEMC Charter and applicable laws. Each Committee shall establish and promulgate manuals to govern their respective operations and geared towards achieving the purpose for which said Committees have been created. The said manual, upon approval of the PEM Board, shall have the force and effect of the rules and regulations of the WESM as Market Manual.	<p><del>Section 2.03</del> <b>2.4. Observance of the EPIRA and its IRR, the WESM Rules and PEMC Charter.</b> All <b>WESM Governance Committees</b>, in the performance of its functions, shall be guided by the provisions of and principles under the <i>EPIRA</i> and its implementing rules, the <i>WESM Rules</i> and the <i>PEMC Charter</i> and applicable laws. Each <b>WESM Governance Committee</b> shall establish and promulgate manuals <b>Market Manuals</b> to govern their respective operations and geared towards achieving the purpose for which said <b>WESM Governance Committees</b> have been created. The said manual, upon approval of the <i>PEM Board</i> <b>and promulgation by the DOE</b>, shall have the force and effect of the rules and regulations of the <i>WESM</i> as <i>Market Manual</i>.</p>	<p>Section 2.03 <b>2.4. Observance of the EPIRA and its IRR, the WESM Rules and PEMC Charter.</b> All <b>WESM Governance Committees</b>, in the performance of its functions, shall be guided by the provisions of and principles under the <i>EPIRA</i> and its implementing rules, the <i>WESM Rules</i> and the <i>PEMC Charter</i> and applicable laws. Each <b>WESM Governance Committee</b> shall establish and promulgate manuals <b>Market Manuals</b> to govern their respective operations, <b>and</b> geared towards achieving the purpose for which said <b>WESM Governance Committees</b> have been created. The said manual, upon approval of the <i>PEM Board</i> <b>and promulgation by the DOE</b>, shall have the force and effect of the rules and regulations of the <i>WESM</i> as <i>Market Manual</i>.</p>	<ul style="list-style-type: none"> <li>Reflect the appropriate term for the legal document establishing the creation of PEMC.</li> <li>Harmonize with DOE DC No. DC2015-07-0013</li> <li>Enhancement and re-numbering for consistency with the format of Market Manuals</li> </ul>
	2.04	Section 2.04 DOE Representation in the 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 PEM Committees and other Board Committees created and to be created for the purpose of facilitating and providing policy support and guidance for the development of the WESM.	<p><del>Section 2.04</del> <b>2.5. DOE Representation in the WESM Governance Committees.</b> The <i>Department of Energy</i> as the agency primarily responsible to implement the <i>EPIRA</i> and its implementing rules and the <i>WESM Rules</i> shall be represented in all PEM <b>WESM Governance Committees</b> and other Board Committees created and to be created for the purpose of facilitating and providing policy support and guidance for the development of the <i>WESM</i>.</p>	<p>Section 2.04 <b>2.5. DOE Representation in the WESM Governance Committees.</b> The <i>Department of Energy</i> as the agency primarily responsible to implement the <i>EPIRA</i> and its implementing rules and the <i>WESM Rules</i> shall be represented in all PEM <b>WESM Governance Committees</b> and other Board Committees created and to be created for the purpose of facilitating and providing policy support and guidance for the development of the <i>WESM</i>.</p>	<ul style="list-style-type: none"> <li>Clarify that this Market Manual solely pertains to WESM Governance Committees.</li> <li>Enhancement and re-numbering for consistency with the format of Market Manuals</li> </ul>

Title	Section	Provision	PEM Board-Approved Proposed Amendment (2020)	Proposed Amendment (2022) <sup>1</sup>	Rationale
Formation of the Committees	2.05	Section 2.05 Other Resolutions. Except as may otherwise be provided in the WESM Rules, in any Market Manual or in the PEMC Charter, the PEM Board may prescribe, among others:  xxx	<del>Section 2.05</del> <b>2.6.</b> Other Resolutions. Except as may otherwise be provided in the <i>WESM Rules</i> , in any <i>Market Manual</i> or in the <i>PEMC Charter</i> <b><u>Articles of Incorporation and By-laws</u></b> , the <i>PEM Board</i> may prescribe, among others:  xxx	<del>Section 2.05</del> <b>2.6.</b> Other Resolutions. Except as may otherwise be provided in the <i>WESM Rules</i> , in any <i>Market Manual</i> or in the <i>PEMC Charter</i> <b><u>Articles of Incorporation and By-laws</u></b> , the <i>PEM Board</i> may prescribe, among others:  xxx	<ul style="list-style-type: none"> <li>• Reflect the appropriate term for the legal document establishing the creation of PEMC.</li> <li>• Enhancement and re-numbering for consistency with the format of Market Manuals</li> </ul>
Vacancy, Nomination, Selection and Appointment of PEM Committee Members	3	Article III. Vacancy, Nomination, Selection and Appointment of PEM Committee Members	<del>Article III.</del> <b>Section 3</b> Vacancy, Nomination, Selection and Appointment of PEM <b><u>WESM Governance</u></b> Committee Members	<del>Article III.</del> <b>Section 3</b> Vacancy, Nomination, Selection and Appointment of PEM <b><u>WESM Governance</u></b> Committee Members	<ul style="list-style-type: none"> <li>• Enhancement and re-numbering for consistency with the format of Market Manuals</li> </ul>
Vacancy	3.01	Section 3.01 Vacancy. A position in the Committee is rendered vacant due to any of the following circumstances:  xxx  (d) Removal from office, upon two third (2/3) votes of the Board of Directors constituting a quorum due to:  xxx  (ii) illness which require recovery for more than 3 months or similar circumstance;  xxx	<del>Section 3.01</del> <b>3.1.</b> Vacancy  <b>3.1.1.</b> A position in the <b><u>WESM Governance Committee</u></b> is rendered vacant due to any of the following circumstances:  xxx  (d) Removal from office, upon two third (2/3) votes of the Board of Directors constituting a quorum due to:  xxx  (ii) illness which require recovery for more than	<del>Section 3.01</del> <b>3.1.</b> Vacancy  <b>3.1.1.</b> A position in the <b><u>WESM Governance Committee</u></b> is rendered vacant due to any of the following circumstances:  xxx  (d) Removal from office, upon two third (2/3) votes of the Board of Directors constituting a quorum due to:  xxx  (ii) illness <b>or disability</b> which requires	<ul style="list-style-type: none"> <li>• Enhancement and re-numbering for consistency with the format of Market Manuals</li> </ul>

Title	Section	Provision	PEM Board-Approved Proposed Amendment (2020)	Proposed Amendment (2022) <sup>1</sup>	Rationale
		(iv) Conduct unbecoming of a Member of the Committee in accordance with Article X of these Guidelines.	<u>three</u> (3) months or similar circumstance;  xxx  (iv) Conduct unbecoming of a Member of the Committee in accordance with <del>Article X</del> <b>Section 10</b> of these Guidelines.	recovery for more than <u>three</u> (3) months or similar circumstance;  xxx  (iv) Conduct unbecoming of a Member of the Committee in accordance with <del>Article X</del> <b>Section 10</b> of these Guidelines.	
Vacancy		(new)	<b><u>3.2.2. Any vacancy shall be filled by an appointment of the PEM Board and the appointee shall serve only the unexpired portion thereof.</u></b>	<b><u>3.2.2. Any vacancy shall be filled by an appointment of <del>by the PEM Board and the</del> appointee shall serve only the unexpired portion thereof.</u></b>	<ul style="list-style-type: none"> <li>• Provide a blanket provision applicable to all WESM Governance Committees regarding filling-up of vacancies.</li> </ul>
Nomination	3.02	Section 3.02 Nomination  (a) In case of a vacancy, the Committee Chairperson, any member thereof or the Market Assessment Group shall give notice to the Board Selection Committee immediately upon occurrence of the vacancy or within one month prior to the effectivity of the expiration of term of office of the concerned member  (b) Selection Committee shall then cause the publication of notice of such vacancy or solicit nomination for the position.  (c) Nomination shall be submitted to the Selection Committee or to any person designated by the Selection Committee.	Section 3-02 <b><u>3.2.</u></b> Nomination  (a) <b><u>3.2.1</u></b> In case of a vacancy, the <b><u>WESM Governance Committee</u></b> Chairperson, any member thereof, or <del>the Market Assessment Group-PEMC</del> shall give notice to the Board Selection Committee <b><u>PEM Board</u></b> immediately upon occurrence of the vacancy or within one month prior to the effectivity of the expiration of term of office of the concerned member  (b) <b><u>3.2.2</u></b> Selection Committee <b><u>The PEM Board</u></b> shall then cause the publication of notice of such vacancy or solicit nomination for the position.	Section 3-02 <b><u>3.2.</u></b> Nomination  (a) <b><u>3.2.1</u></b> In case of a vacancy, the <b><u>WESM Governance Committee</u></b> Chairperson, any member thereof, or <del>the Market Assessment Group-PEMC</del> shall give notice to the Board Selection Committee <b><u>PEM Board</u></b> immediately upon occurrence of the vacancy or within one month prior to the effectivity of the expiration of term of office of the concerned member  (b) <b><u>3.2.2</u></b> Selection Committee <b><u>The PEM Board</u></b> shall then cause the publication of notice of such vacancy or solicit nominations for the position.	<ul style="list-style-type: none"> <li>• References to non-Governance Committees of the PEM Board are removed as this Manual is intended to pertain only to WESM Governance Committees.</li> <li>• Enhancement and re-numbering for consistency with the format of Market Manuals</li> <li>• To document the current practice of self-nomination under the new Section 3.2.8</li> </ul>



Title	Section	Provision	PEM Board-Approved Proposed Amendment (2020)	Proposed Amendment (2022) <sup>1</sup>	Rationale
		<p>(d) All nominations shall be in a form (Appendix [A]) and manner as may be prescribed by the Selection Committee.</p> <p>(e) xxx</p> <p>(f) xxx</p> <p>(g) xxx</p>	<p>(e) <del>3.2.3</del> Nomination shall be submitted to the <del>Selection Committee</del> <b>PEM Board</b> or to any person designated by the <del>Selection Committee</del> <b>PEM Board</b>.</p> <p>(d) <del>3.2.4</del> All nominations shall be in a form (Appendix [A]) and manner as may be prescribed by the <del>Selection Committee</del> <b>PEM Board</b>.</p> <p>(e) <del>3.2.5</del> xxx</p> <p>(f) <del>3.2.6</del> xxx</p> <p>(g) <del>3.2.7</del> xxx</p>	<p>(e) <del>3.2.3</del> Nomination<del>s</del> shall be submitted to the <del>Selection Committee</del> <b>PEM Board</b> or to any person designated by the <del>Selection Committee</del> <b>PEM Board</b>.</p> <p>(d) <del>3.2.4</del> All nominations shall be in a form (Appendix [A]) and manner as may be prescribed by the <del>Selection Committee</del> <b>PEM Board</b>.</p> <p>(e) <del>3.2.5</del> xxx</p> <p>(f) <del>3.2.6</del> xxx</p> <p>(g) <del>3.2.7</del> xxx</p> <p><b><u>3.2.8 A qualified individuals may self-nominate as Independent members in any Committees requiring an independent member.</u></b></p>	
Selection	3.03	<p>Section 3.03 Selection</p> <p>(a) The Selection Committee 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 these Guidelines and applicable laws and rules.</p>	<p>Section 3.03 <del>3.3</del> Selection</p> <p>(a) <del>3.3.1</del> The <del>Selection Committee</del> <b>PEM Board</b> 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 these <i>Guidelines</i> and applicable laws and rules.</p>	<p>Section 3.03 <del>3.3</del> Selection</p> <p>(a) <del>3.3.1</del> The <del>Selection Committee</del> <b>PEM Board</b> 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 these <i>Guidelines</i> and applicable laws and rules.</p>	<ul style="list-style-type: none"> <li>References to non-Governance Committees of the PEM Board are removed as this Manual is intended to pertain only to WESM Governance Committees.</li> <li>Enhancement and re-numbering for consistency with the format of Market Manuals</li> </ul>

Title	Section	Provision	PEM Board-Approved Proposed Amendment (2020)	Proposed Amendment (2022) <sup>1</sup>	Rationale
		(b) In the determination of the list of candidates, the Selection Committee shall 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 or her service will promote the advancement of the Spot Market.	<del>(b)</del> <b>3.3.2</b> In the determination of the list of candidates, the <del>Selection Committee</del> <b>PEM Board</b> shall 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 or her service will promote the advancement of the Spot Market.	<del>(b)</del> <b>3.3.2</b> In the determination of the list of candidates, the <del>Selection Committee</del> <b>PEM Board</b> shall 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 or her service will promote the advancement of the Spot Market.  <u>The foreign professional should comply with the applicable laws and regulations of the Philippines for his or her practice, and shall furnish the PEM Board of proof of compliance.</u>	
Publication of Nominees	3.04	Section 3.04 Publication of Nominees. Upon screening of the nominees submitted within allowable time as prescribed by the Selection Committee, the latter shall cause the publication of the list of the qualified nominees in the PEMC web site.	<del>Section 3.04</del> <b>3.4.</b> Publication of Nominees. Upon screening of the nominees submitted within allowable time as prescribed by the <del>Selection Committee</del> <b>PEM Board</b> , the latter shall cause the publication of the list of the qualified nominees in the <del>PEMC web site</del> <u>website</u> .	<del>Section 3.04</del> <b>3.4.</b> Publication of Nominees. Upon screening of the nominees submitted within <del>the</del> allowable time as prescribed by the <del>Selection Committee</del> <b>PEM Board</b> , the latter shall cause the publication of the list of the qualified nominees in the <del>PEMC web site</del> <u>website</u> .	<ul style="list-style-type: none"> <li>References to non-Governance Committees of the PEM Board are removed as this Manual is intended to pertain only to WESM Governance Committees.</li> <li>Enhancement and re-numbering for consistency with the format of Market Manuals</li> </ul>
Interview of the Nominees	3.05	Section 3.05 Interview of the Nominees. After the publication of the shortlisted nominees and upon verification and resolution of opposition	<del>Section 3.05</del> <b>3.5.</b> Interview of the Nominees. After the publication of the shortlisted nominees and upon verification and resolution	<del>Section 3.05</del> <b>3.5.</b> Interview of the Nominees. After the publication of the shortlisted nominees and upon verification and resolution	<ul style="list-style-type: none"> <li>References to non-Governance Committees of the PEM Board are removed</li> </ul>

Title	Section	Provision	PEM Board-Approved Proposed Amendment (2020)	Proposed Amendment (2022) <sup>1</sup>	Rationale
		thereof, if any, the Selection Committee may opt to conduct further assessment of the shortlisted nominees through personal interview or any other means as the Selection Committee may consider appropriate. The Board Selection Committee shall rate them in accordance with a scoring system provided for this purpose.	of opposition thereof, if any, the <del>Selection Committee</del> <b>PEM Board</b> may opt to conduct further assessment of the shortlisted nominees through personal interview or any other means as the <del>Selection Committee</del> <b>PEM Board</b> may consider appropriate. The <del>Board Selection Committee</del> <b>PEM Board</b> shall rate them in accordance with a scoring system provided for this purpose.	of opposition thereof, if any, the <del>Selection Committee</del> <b>PEM Board</b> may opt to conduct further assessment of the shortlisted nominees through personal interview or any other means as the <del>Selection Committee</del> <b>PEM Board</b> may consider appropriate. The <del>Board Selection Committee</del> <b>PEM Board</b> shall rate them in accordance with a scoring system provided for this purpose.	as this Manual is intended to pertain only to WESM Governance Committees.  • Enhancement and re-numbering for consistency with the format of Market Manuals
Appointment of PEM Committee Members and Chairpersons	3.06	Section 3.06 Appointment of PEM Committee Members and Chairpersons. The PEM Board appoints the members and the Chairpersons of the PEM Committees from among the list of qualified nominees, screened and duly endorsed by the Selection Committee.	<del>Section 3.06</del> <b>3.6.</b> Appointment of PEM Committee <b>WESM Governance Committee</b> Members and Chairpersons. The <b>PEM Board</b> appoints the members and the Chairpersons of the PEM <b>WESM Governance Committees</b> from among the list of qualified nominees, <del>screened and duly endorsed by the Selection Committee.</del>	<del>Section 3.06</del> <b>3.6.</b> Appointment of PEM Committee <b>WESM Governance Committee</b> Members and Chairpersons. The <b>PEM Board</b> <b>shall</b> appoints the members and the Chairpersons of the PEM <b>WESM Governance Committees</b> from among the list of qualified nominees, <del>screened and duly endorsed by the Selection Committee.</del>	• To clarify that this Guidelines solely pertains to WESM Governance Committees. • Enhancement and re-numbering for consistency with the format of Market Manuals
	3.07 3.08 3.09	Section 3.07 Declaration/Undertaking. xxx  Section 3.08 Periodic evaluation of qualification and performance. xxx  Section 3.09 Hold Over Provision. xxx	<del>Section 3.07</del> <b>3.7</b> Declaration/Undertaking. xxx  <del>Section 3.08</del> <b>3.8</b> Periodic evaluation of qualification and performance. xxx  <del>Section 3.09</del> <b>3.9</b> Hold Over Provision. xxx	<del>Section 3.07</del> <b>3.7</b> Declaration/Undertaking. xxx  <del>Section 3.08</del> <b>3.8</b> Periodic evaluation of qualification and performance. xxx  <del>Section 3.09</del> <b>3.9</b> Hold Over Provision. xxx	• Enhancement and re-numbering for consistency with the format of Market Manuals
Qualifications and Disqualifications of WESM Governance	4	Article IV. Qualifications and Disqualifications of WESM Governance Committee Members	Article IV. <del>Section 4</del> Qualifications, AND Disqualifications, <b>and Criteria for</b> <del>OF WESM Governance Committee Members</del>	Article IV. <del>Section 4</del> Qualifications, AND Disqualifications, <b>and Criteria for</b> <del>OF WESM Governance Committee Members</del>	• To cover the additional sub-section on the criteria for independence

Title	Section	Provision	PEM Board-Approved Proposed Amendment (2020)	Proposed Amendment (2022) <sup>1</sup>	Rationale
Committee Members					<ul style="list-style-type: none"> <li>Enhancement and re-numbering for consistency with the format of Market Manuals</li> </ul>
Common Qualifications	4.01	<p>Section 4.01 Common Qualifications. In addition to the specific requirements provided under this Guidelines and pertinent laws and rules, each member of a PEM Committee shall possess the following qualifications:</p> <p>xxx</p> <p>(d) Must be at least a college graduate, or with at least ten (10) years of relevant experience in their field of expertise.</p>	<p>Section 4.01 <b>4.1.</b> Common Qualifications. In addition to the specific requirements provided under this <i>Guidelines</i> and pertinent laws and rules, each member of a <u>WESM Governance PEM Committee</u> shall possess the following qualifications:</p> <p>xxx</p> <p>(d) Must be at least a college graduate, <del>or</del> <b>and</b> with at least ten (10) years of relevant experience in their field of expertise.</p>	<p>Section 4.01 <b>4.1.</b> Common Qualifications. In addition to the specific requirements provided under this <i>Guidelines</i> and pertinent laws and rules, each member of a <u>WESM Governance PEM Committee</u> shall possess the following qualifications:</p> <p>xxx</p> <p>(d) Must <b>be</b> at least <b>be</b> a college graduate, <del>or</del> <b>and</b> with at least ten (10) years of relevant experience in their field of expertise.</p>	<ul style="list-style-type: none"> <li>To clarify that this Guidelines solely pertains to WESM Governance Committees.</li> <li>To clarify the minimum level of education and relevant experience of committee members</li> <li>Enhancement and re-numbering for consistency with the format of Market Manuals</li> </ul>
Disqualification	4.02	<p>Section 4.02 Disqualification. The following persons are disqualified from being appointed as a member of any of the PEM Committees and Other Board Committees:</p> <p>Xxx</p>	<p>Section 4.02 <b>4.2</b> Disqualification. The following persons are disqualified from being appointed as a member of any of the PEM <u>WESM Governance Committees</u> and Other Board Committees:</p> <p>xxx</p>	<p>Section 4.02 <b>4.2</b> Disqualification. The following persons are disqualified from being appointed as a member of any of the PEM <u>WESM Governance Committees</u> and Other Board Committees:</p> <p>xxx</p>	<ul style="list-style-type: none"> <li>To clarify that this Guidelines solely pertains to WESM Governance Committees.</li> <li>Enhancement and re-numbering for consistency with the format of Market Manuals</li> </ul>
		(new)	<p><b>4.3 Criteria for Independence. A person shall be deemed independent if that person:</b></p> <p><b>(a) is not a director, officer, employee, contractor, consultant, agent, adviser, legal counsel, manager, or shareholder</b></p>	<p><b>4.3 Criteria for Independence. A person shall be deemed independent if that person:</b></p> <p><b>(f) is not a director, officer, employee, contractor, consultant, agent, adviser, legal counsel, manager, or shareholder</b></p>	<ul style="list-style-type: none"> <li>To provide for the criteria for independence as provided in the DOE DC No. 2018-01-0002</li> </ul>

Title	Section	Provision	PEM Board-Approved Proposed Amendment (2020)	Proposed Amendment (2022) <sup>1</sup>	Rationale
			<p><u>of a WESM Member or System Operator;</u></p> <p>(b) <u>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 or System Operator or an official or employee of Philippine government, its agencies or instrumentalities;</u></p> <p>(c) <u>is not an officer, manager, director, shareholder, agent, employee, consultant, adviser, legal counsel, or contractor of, or is not a person directly or indirectly through one or more intermediary controls, is controlled by a company, affiliate, or any other entity related to or associated with a WESM Member or System Operator where:</u></p> <p>i. <u>a related company or body is a parent, holding company, subsidiary or affiliate of the WESM Member or System Operator; and</u></p> <p>ii. <u>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</u></p>	<p><u>of a WESM Member or System Operator;</u></p> <p>(g) <u>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 or System Operator or an official or employee of Philippine government, its agencies or instrumentalities;</u></p> <p>(h) <u>is not an officer, manager, director, shareholder, agent, employee, consultant, adviser, legal counsel, or contractor of, or is not a person directly or indirectly through one or more intermediary controls, is controlled by a company, affiliate, or any other entity related to or associated with a WESM Member or System Operator where:</u></p> <p>iv. <u>a related company or body is a parent, holding company, subsidiary or affiliate of the WESM Member or System Operator; and</u></p> <p>v. <u>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</u></p>	

Title	Section	Provision	PEM Board-Approved Proposed Amendment (2020)	Proposed Amendment (2022) <sup>1</sup>	Rationale
			<p><u>person within the fourth civil degree of affinity or consanguinity; and</u></p> <p>iii. <u>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 the interest of the end-user is not more than the minimum required to avail of the distribution utility's service;</u></p> <p>(d) <u>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</u></p> <p>(e) <u>has not been employed as an officer, or in a supervisory or managerial capacity, by any electric power industry</u></p>	<p><u>person within the fourth civil degree of affinity or consanguinity; and</u></p> <p>vi. <u>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 the interest of the end-user is not more than the minimum required to avail of the distribution utility's service;</u></p> <p>(i) <u>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</u></p> <p>(j) <u>has not been employed as an officer, or in a supervisory or managerial capacity, by any electric power industry</u></p>	

Title	Section	Provision	PEM Board-Approved Proposed Amendment (2020)	Proposed Amendment (2022) <sup>1</sup>	Rationale
			<u>participant, or a company within one (1) year prior to the nomination date.</u>	<u>participant, or a company within one (1) year prior to the nomination date.</u>	
PEM Audit Committee	5	Article V. PEM Audit Committee	Article V. <del>Section 5</del> <i>PEM Audit Committee</i>	Article V. <del>Section 5</del> <i>PEM Audit Committee</i>	<ul style="list-style-type: none"> <li>Enhancement and re-numbering for consistency with the format of Market Manuals</li> </ul>
	5.01	Section 5.01 Composition. The PAC shall consist of three (3) members, headed by the PEM Auditor who is an Independent Member as defined herein, with qualifications as prescribed under these Guidelines and pertinent rules.	<del>Section 5.04</del> <b>5.1.</b> Composition. The PAC shall consist of <u>at least</u> three (3) members, headed by the <del>PEM Auditor</del> <b>Chairperson</b> who is an <del>Independent Member as defined herein</del> , with qualifications as prescribed under these Guidelines and pertinent rules. <u>All members of the PAC shall be Independent as defined in this Manual.</u>	<del>Section 5.04</del> <b>5.1.</b> Composition. The <del>PEM Audit Committee (PAC)</del> shall consist of <u>at least</u> three (3) members, headed by the <del>PEM Auditor</del> <b>Chairperson</b> who is an <del>Independent Member as defined herein</del> , with qualifications as prescribed under these Guidelines and pertinent rules. <u>All members of the <del>PEM Audit Committee</del> PAC shall be Independent as defined in this Manual.</u>	<ul style="list-style-type: none"> <li>To ensure that the number of PAC members is adequate to support the volume of work assigned to them</li> <li>Replacement of “PEM Auditor” with “Chairperson” is consistent with the proposed changes previously approved by the RCC (Resolution No. 19-04) and the PEM Board (Resolution 2019-10-10).</li> <li>Enhancement and re-numbering for consistency with the format of Market Manuals</li> </ul>
PEM Audit Committee	5.02	Section 5.02 Appointment. The PEM Board appoints the members and the PEM Auditor as the chairperson of the Audit Committee. xxx	<del>5.02.</del> <b>5.2. Appointment.</b> The <del>PEM Board</del> appoints the members and the <del>PEM Auditor as the chairperson</del> <b>Chairperson</b> of the <del>PEM Audit Committee.</del> xxx	<del>5.02.</del> <b>5.2. Appointment.</b> The <del>PEM Board</del> <b>shall</b> appoints the members and the <del>PEM Auditor as the chairperson</del> <b>Chairperson</b> of the <del>PEM Audit Committee.</del> xxx	<ul style="list-style-type: none"> <li>For clarity</li> <li>Consistent with the proposed changes previously approved by the RCC (Resolution No. 19-04) and the PEM Board (Resolution 2019-10-10).</li> <li>Enhancement and re-numbering for consistency with the format of Market Manuals</li> </ul>

Title	Section	Provision	PEM Board-Approved Proposed Amendment (2020)	Proposed Amendment (2022) <sup>1</sup>	Rationale
	5.03	Section 5.03 Qualifications xxx	<del>Section 5.03</del> <b>5.3</b> Qualifications xxx	<del>Section 5.03</del> <b>5.3</b> Qualifications xxx	<ul style="list-style-type: none"> <li>Enhancement and re-numbering for consistency with the format of Market Manuals</li> </ul>
	5.04	<p>Section 5.04 Responsibilities</p> <p>The PAC, headed by the PEM Auditor, conducts audit of the operation of the spot market and of the Market Operator in accordance with the following:</p> <p>(a) Conduct annual audits of the Market Operator and the settlement system and any other procedures, persons, systems or other matters relevant to the Spot Market or as may be deemed necessary by the PAC;</p> <p>(b) Test and check any enhancements or updates in the market infrastructure provided by the Market Operator for use by WESM Members;</p> <p>(c) Review any procedures and practices which are covered by the WESM Rules including but not limited to procedures mentioned in WESM Rule 5.2.6.2 at the direction of the PEM Board;</p> <p>(d) Recommend changes to the WESM Rules where the PAC detects deficiencies as a consequence of an audit, review, test, check or other form of review;</p> <p>(e) Review the security arrangements and requirement of metering installations annually in consultation with the Market</p>	-	<p><del>Section 5.04</del> <b>5.4</b> Responsibilities</p> <p><del>The PAC headed by the PEM Auditor conducts audit of the operation of the spot market and of the Market Operator in accordance with the following shall:</del></p> <p>(a) <b>Be responsible for the</b> <del>Conduct</del> annual <u>of</u> audits of the Market Operator and the settlement system and any other procedures, persons, systems <u>of the Market Operator and the Metering Services Providers as they are</u> or other matters relevant to the Spot Market <b>spot market</b> or as may be deemed necessary by the PAC;</p> <p>(b) Test and check any enhancements or updates in the market infrastructure <u>including any new items or version of software</u> provided by the Market Operator for use by WESM Members;</p> <p>(c) Review any procedures and practices which are covered by the WESM Rules <del>including but not limited to procedures mentioned in WESM Rule 5.2.6.2 at the direction of the PEM Board;</del></p> <p>(d) Recommend changes to the WESM Rules, <b>Retail Rules and relevant</b></p>	<ul style="list-style-type: none"> <li>For DOE: lifted from the proposal under PEM Board Resolution No. 2021-41-01 / Resolution No. 2021-16</li> <li>For item e: Frequency of audit already specified in WESM Rules and PEM Audit Manual.</li> </ul>



Title	Section	Provision	PEM Board-Approved Proposed Amendment (2020)	Proposed Amendment (2022) <sup>1</sup>	Rationale
		<p>Operator and Metering Service Providers;</p> <p>(f) Prepare a report on the result of the spot market audits and publish on the Market Information Website the results of any audit findings and recommendations; and</p> <p>The PAC shall perform all other functions and duties referred to in the WESM Rules and in accordance with applicable laws and rules.</p>		<p><u>Market Manuals</u> where the PAC detects <u>identified</u> deficiencies as a consequence of an audit, review, test, check or other form of review;</p> <p>(e) Review the security arrangements and requirement of metering installations <del>annually</del> in consultation with the Market Operator and Metering Service Providers;</p> <p>(f) <del>Prepare a report on the result of the spot market audits and publish on the Market Information Website the results of any audit findings and recommendations</del>  <u>Publish on the PEMC website the results of any findings and recommendations under this Section;</u> and</p> <p>The PAC shall perform <u>Perform</u> all other functions and duties referred to in the WESM Rules and in accordance with applicable laws and rules.</p>	
	5.05	Section 5.05 Term of Office. The term of office of each member of the PAC shall be for three (3) years; provided that the initial members of the Audit Committee shall be appointed for the following terms: The PEM Auditor for three (3) years; one member for two (2) years and the other member for one (1) year. The members of the PAC may be eligible for reappointment but in no case shall his reappointment be made for more than two consecutive terms.	<del>Section 5.05</del> <u>5.5</u> . Term of Office. The term of office of each member of the PAC shall be for three (3) years; provided that the initial members of the Audit Committee shall be appointed for the following terms: The <del>PEM Auditor</del> <u>Chairman</u> for three (3) years; one member for two (2) years and the other member for one (1) year. The members of the PAC may be eligible for reappointment but in no case shall	<del>Section 5.05</del> <u>5.5</u> . Term of Office. The term of office of each member of the <u>PEM Audit Committee PAC</u> shall be for three (3) years; provided that the initial members of the Audit Committee shall be appointed for the following terms: The <del>PEM Auditor</del> <u>Chairperson</u> for three (3) years; one member for two (2) years and the other member for one (1) year. The members of the <u>PEM Audit Committee PAC</u> may be eligible for reappointment but in no case shall <del>his reappointment be made a</del>	<ul style="list-style-type: none"> <li>• For clarity since there is no separate 'PEM Auditor' office or position.</li> <li>• Enhancement and re-numbering for consistency with the format of Market Manuals</li> </ul>

Title	Section	Provision	PEM Board-Approved Proposed Amendment (2020)	Proposed Amendment (2022) <sup>1</sup>	Rationale
		Service by a member for less than one year shall not be considered one term.	his reappointment be made for more than two consecutive terms.  Service by a member for less than one year shall not be considered one term.	<del>member serve</del> for more than <del>two</del> <b>three (3)</b> consecutive terms.  Service by a member for less than one year shall not be considered one term.	
PEM Audit Committee	5.06 5.07	Section 5.06 Vacancy. xxx  Section 5.07 Conduct of Business, Voting and Procedures xxx	<del>Section 5.06 Vacancy. xxx</del>  <del>Section 5.07</del> <b>5.6</b> Conduct of Business, Voting and Procedures xxx	<del>Section 5.06 Vacancy. xxx</del>  <del>Section 5.07</del> <b>5.6</b> Conduct of Business, Voting and Procedures xxx	<ul style="list-style-type: none"> <li>• A general provision on filling-up vacancies is added as Section 3.1.2.</li> <li>• Enhancement and re-numbering due to deletion of Section 5.06 and for consistency with the format of Market Manuals</li> </ul>
Market Surveillance Committee	6	Article VI. Market Surveillance Committee	<del>Article VI.</del> <b>Section 6</b> <i>Market Surveillance Committee</i>	<del>Article VI.</del> <b>Section 6</b> <i>Market Surveillance Committee</i>	Enhancement and re-numbering for consistency with the format of Market Manuals
	6.01	Section 6.01 Composition. The Market Surveillance Committee shall consist of five (5) members.	<del>Section 6.01</del> <b>6.1.</b> Composition. The <i>Market Surveillance Committee</i> shall consist of <b>at least</b> five (5) members.	<del>Section 6.01</del> <b>6.1.</b> Composition. The <i>Market Surveillance Committee</i> shall consist of <b>at least</b> five (5) members.	<ul style="list-style-type: none"> <li>• To ensure that the number of MSC members is adequate to support the volume of work assigned to them</li> <li>• Enhancement and re-numbering for consistency with the format of Market Manuals</li> </ul>
	6.02 6.03	Section 6.02 Appointment. xxx Section 6.03 Qualifications. xxx	Section <del>6.02</del> <b>6.2</b> Appointment. xxx  Section <del>6.03</del> <b>6.3</b> Qualifications. xxx	Section 6.02 <b>6.2</b> Appointment. xxx  Section 6.03 <b>6.3</b> Qualifications. xxx	<ul style="list-style-type: none"> <li>• Enhancement and re-numbering for consistency with the format of Market Manuals</li> </ul>

Title	Section	Provision	PEM Board-Approved Proposed Amendment (2020)	Proposed Amendment (2022) <sup>1</sup>	Rationale
	6.04	<p>Section 6.04 Responsibilities. The Market Surveillance Committee tasked to monitor and report on activities in the spot market in accordance with the WESM Rules shall have the following specific duties and functions:</p> <p>xxx</p> <p>(b) Prepare periodic reports, which outline:</p> <p>xxx</p> <p>(iii) Matters concerning the operation of the Spot Market generally, which reports shall be submitted to the PEM Board, the DOE and ERC upon completion.</p> <p>(c) Assist the PEM Board or the Enforcement and Compliance Officer to investigate and gather evidence of:</p> <p>xxx</p> <p>(g) Upon the concurrence of one or more of the events described in clause 6.8.4.1 of the WESM Rules, investigate the circumstances of that event and prepare a report to assess:</p> <p>xxx</p> <p>(i) Investigate, upon request of Enforcement and Compliance Officer, a failure of a WESM</p>	<p><del>Section 6.04</del> <b>6.4</b> Responsibilities. The <i>Market Surveillance Committee</i> tasked to monitor and report on activities in the spot market in accordance with the <i>WESM Rules</i> shall have the following specific duties and functions:</p> <p>xxx</p> <p>(b) Prepare periodic reports, which outline:</p> <p>xxx</p> <p>(iii) Matters concerning the operation of the Spot Market generally, which reports shall be submitted to the <i>PEM Board</i>, the <i>DOE</i>, <del>and ERC</del>, <u><b>and PCC, subject to Clause 5.3 of the WESM Rules</b></u>, upon completion.</p> <p>(c) Assist the <i>PEM Board</i> or the <i>Enforcement and Compliance Officer</i> <u><b>Office</b></u> to investigate and gather evidence of:</p> <p>xxx</p> <p>(g) Upon the concurrence of one or more of the events described in clause <del>6.8.4.1</del> <u><b>6.9.4.1</b></u> of the <i>WESM Rules</i>, investigate the circumstances of that event and prepare a report to assess:</p> <p>xxx</p>	<p><del>Section 6.04</del> <b>6.4</b> Responsibilities. The <i>Market Surveillance Committee</i> <u><b>is</b></u> tasked to monitor and report on activities in the spot market in accordance with the <i>WESM Rules</i> <u><b>and</b></u> shall have the following specific duties and functions:</p> <p>xxx</p> <p>(b) Prepare periodic reports, which outline:</p> <p>xxx</p> <p>(iii) Matters concerning the operation of the Spot Market generally, which reports, <u><b>upon its completion</b></u>, shall be submitted to the <i>PEM Board</i>, the <i>DOE</i>, <del>and ERC</del>, <u><b>subject to Clause 5.3 of the WESM Rules</b></u>, <del>upon completion</del>.</p> <p>(c) Assist the <i>PEM Board</i> or the <i>Enforcement and Compliance Officer</i> <u><b>Office</b></u> to investigate and gather evidence of:</p> <p>xxx</p> <p>(g) Upon the <del>concurrence</del> <u><b>occurrence</b></u> of one or more of the events described in clause <del>6.8.4.1</del> <u><b>6.9.4.1</b></u> of the <i>WESM Rules</i>, investigate the circumstances of that event and prepare a report to assess:</p> <p>xxx</p>	<ul style="list-style-type: none"> <li>• To include the Philippine Competition Commission among external agencies to which the MSC shall regularly submit reports in item (b.iii), subject to the rules on confidentiality under Clause 5.3 of the WESM Rules</li> <li>• To indicate the proper name of the PEMC unit tasked to conduct investigations.</li> <li>• To reflect the correct WESM Rules Clause for Intervention Reports in item (g)</li> <li>• Enhancement and re-numbering for consistency with the format of Market Manuals</li> <li>• Section 6.4 (g) – to correct the typo error in the original manual (concurrence to occurrence)</li> <li>• Removed letter i from the functions of MSC as this is already transferred to ECO per DOE DC 2021-08-0026 dated 30 July 2021.</li> </ul>

Title	Section	Provision	PEM Board-Approved Proposed Amendment (2020)	Proposed Amendment (2022) <sup>1</sup>	Rationale
		Member to comply with a directive or request to provide information under clause 7.2.4.1 of the WESM Rules.  xxx	(i) Investigate, upon request of <i>Enforcement and Compliance Officer</i> <b>Office</b> , a failure of a <i>WESM Member</i> to comply with a directive or request to provide information under clause 7.2.4.1 of the <i>WESM Rules</i> .  xxx	<del>(i) Investigate, upon request of Enforcement and Compliance Officer Office, a failure of a WESM Member to comply with a directive or request to provide information under clause 7.2.4.1 of the WESM Rules.</del>  (i) <b>xxx.</b>	
Market Surveillance Committee	6.05	Section 6.05 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 MSC may be eligible for reappointment but in no case shall his reappointment be made for more than two consecutive terms.  Service by a member for less than one year shall not be considered one term.		<del>Section 6.05</del> <b>6.5</b> 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 MSC may be eligible for reappointment but in no case shall <del>his</del> <b>reappointment be made a member serve</b> for more than <del>two</del> <b>three (3)</b> consecutive terms.  Service by a member for less than one year shall not be considered one term.	<ul style="list-style-type: none"> <li>Enhancement and re-numbering for consistency with the format of Market Manuals</li> <li>To clarify the term of office in accordance with the current practice</li> </ul>
	6.06 6.07	Section 6.06 Vacancy. Any vacancy shall be filled by appointment of the PEM Board and the appointee shall serve only the unexpired portion thereof.  Section 6.07 Conduct of Business, Voting and Procedure. xxx	<del>Section 6.06 Vacancy. Any vacancy shall be filled by appointment of the PEM Board and the appointee shall serve only the unexpired portion thereof.</del>  6.07 <b>6.6</b> Conduct of Business, Voting and Procedure. xxx	<del>Section 6.06 Vacancy. Any vacancy shall be filled by appointment of the PEM Board and the appointee shall serve only the unexpired portion thereof.</del>  6.07 <b>6.6</b> Conduct of Business, Voting and Procedure. xxx	<ul style="list-style-type: none"> <li>A general provision on filling-up vacancies is added as Section 3.1.2.</li> <li>Enhancement and re-numbering due to the deletion of Section 6.06 and for consistency with the format of Market Manuals</li> </ul>

Title	Section	Provision	PEM Board-Approved Proposed Amendment (2020)	Proposed Amendment (2022) <sup>1</sup>	Rationale
Rules Change Committee	7	Article VII. Rules Change Committee	<del>Article VII.</del> <b>Section 7</b> <i>Rules Change Committee</i>	<del>Article VII.</del> <b>Section 7</b> <i>Rules Change Committee</i>	<ul style="list-style-type: none"> <li>Enhancement and re-numbering for consistency with the format of Market Manuals</li> </ul>
	7.01 7.02 7.03 7.04	Section 7.01 Composition xxx Section 7.02 Appointment xxx Section 7.03 Qualifications xxx Section 7.04 Responsibilities xxx	<del>Section 7.04</del> <b>7.1</b> Composition xxx <del>Section 7.02</del> <b>7.2</b> Appointment xxx <del>Section 7.03</del> <b>7.3</b> Qualifications xxx <del>Section 7.04</del> <b>7.4</b> Responsibilities xxx <del>Section 7.05</del> <b>7.5</b> Term of Office	<del>Section 7.04</del> <b>7.1</b> Composition xxx <del>Section 7.02</del> <b>7.2</b> Appointment xxx <del>Section 7.03</del> <b>7.3</b> Qualifications xxx <del>Section 7.04</del> <b>7.4</b> Responsibilities xxx	Enhancement and re-numbering for consistency with the format of Market Manuals
	7.05	Section <del>7.05</del> <b>7.5</b> Term of Office. The term of office of the members of the RCC shall be for three (3) years. The members of the RCC may be eligible for reappointment by the PEM Board for one or more additional terms, provided that such re-appointment but in no case shall his reappointment be made for more than two consecutive terms.		Section <del>7.05</del> <b>7.5</b> Term of Office. The term of office of the members of the RCC shall be for three (3) years. The members of the RCC may be eligible for reappointment by the PEM Board for one or more additional terms, provided that such re-appointment but in no case shall <del>his reappointment be made</del> <b>a member serve</b> more than <del>two</del> <b>three (3)</b> consecutive terms.  Service by a member for less than one year shall not be considered one term.	<ul style="list-style-type: none"> <li>To clarify the term of office in accordance with the current practice</li> </ul>
	7.06	Section 7.06 Vacancy. Any vacancy shall be filled by appointment of the PEM Board and the appointee shall serve only the unexpired portion thereof.  In filling up the vacancy, the PEM Board shall appoint a person belonging to the same Sector or membership category under Section 7.01, following the nomination and selection process as provided under these Guidelines.	<del>Section 7.06</del> <b>7.6</b> Vacancy. Any vacancy shall be filled by appointment of the PEM Board and the appointee shall serve only the unexpired portion thereof.  <b>In addition to the requirements in Section 3.1.2 in</b> In filling up the vacancy, the PEM Board shall appoint a person belonging to the same Sector or membership category under Section	<del>Section 7.06</del> <b>7.6</b> Vacancy. Any vacancy shall be filled by appointment of the PEM Board and the appointee shall serve only the unexpired portion thereof.  <b>In addition to the requirements in Section 3.1.2 in</b> In filling up the vacancy, the PEM Board shall appoint a person belonging to the same Sector or membership category under Section	<ul style="list-style-type: none"> <li>A general provision on filling-up vacancies is added as Section 3.1.2.</li> <li>Enhancement and re-numbering for consistency with the format of Market Manuals</li> </ul>

Title	Section	Provision	PEM Board-Approved Proposed Amendment (2020)	Proposed Amendment (2022) <sup>1</sup>	Rationale
			<del>7.04</del> <b>7.1</b> , following the nomination and selection process as provided under these <i>Guidelines</i> .	<del>7.04</del> <b>7.1</b> , following the nomination and selection process as provided under these <i>Guidelines</i> .	
Rules Change Committee	7.07 7.08	Section 7.07 Conduct of Business, Voting and Procedure xxx  Section 7.08 Additional Ground for Termination xxx	<del>Section 7.07</del> <b>7.7</b> Conduct of Business, Voting and Procedure xxx  <del>Section 7.08</del> <b>7.8</b> Additional Ground for Termination xxx	<del>Section 7.07</del> <b>7.7</b> Conduct of Business, Voting and Procedure xxx  <del>Section 7.08</del> <b>7.8</b> Additional Ground for Termination xxx	<ul style="list-style-type: none"> <li>Enhancement and re-numbering for consistency with the format of Market Manuals</li> </ul>
	7.09	Section 7.09 Nomination.  (a) All nominees to the Rules Change Committee shall be submitted to the Selection Committee by the respective Sector which is intended to be represented therein.  (b) If a person is nominated in more than one Sector, the Selection Committee shall have the discretion to require additional documentary evidence or other requirements to ensure that such nominee represents the best interest of, and to recommend to the PEM Board which Sector the nominee is most qualified.  xxx	<del>Section 7.09</del> <b>7.9</b> Nomination.  (a) All nominees to the <i>Rules Change Committee</i> shall be submitted to the <del>Selection Committee</del> <b>PEM Board</b> by the respective Sector which is intended to be represented therein.  (b) If a person is nominated in more than one Sector, the <del>Selection Committee</del> <b>PEM Board</b> shall have the discretion to require additional documentary evidence or other requirements to ensure that such nominee represents the best interest of <b>the Sectors</b> , and to recommend to the PEM Board <b>decide</b> which Sector the nominee is most qualified.  xxx	<del>Section 7.09</del> <b>7.9</b> Nomination.  (a) All nominees to the <i>Rules Change Committee</i> shall be submitted to the <del>Selection Committee</del> <b>PEM Board</b> by the respective Sector which is intended to be represented therein.  (b) If a person is nominated in more than one Sector, the <del>Selection Committee</del> <b>PEM Board</b> shall have the discretion to require additional documentary evidence or other requirements to ensure that such nominee represents the best interest of <b>the Sectors</b> , and to recommend to the PEM Board <b>decide</b> which Sector the nominee is most qualified <b>for</b> .  xxx	<ul style="list-style-type: none"> <li>References to non-Governance Committees of the PEM Board are removed as this Manual is intended to pertain only to WESM Governance Committees.</li> <li>For clarity</li> <li>Enhancement and re-numbering for consistency with the format of Market Manuals</li> </ul>
Technical Committee	8	Article VIII. Technical Committee	<del>Article VIII.</del> <b>Section 8</b> <i>Technical Committee</i>	<del>Article VIII.</del> <b>Section 8</b> <i>Technical Committee</i>	<ul style="list-style-type: none"> <li>Enhancement and re-numbering for consistency with the format of Market Manuals</li> </ul>

Title	Section	Provision	PEM Board-Approved Proposed Amendment (2020)	Proposed Amendment (2022) <sup>1</sup>	Rationale
Technical Committee	8.01	<p>Section 8.01 Composition. The Technical Committee shall consist of at least five (5) members with a representative from the following:</p> <p>(a) one (1) member from the Grid Management Committee;</p> <p>(b) one (1) member from the Distribution Management Committee;</p> <p>(c) one (1) member from the System Operator; and</p> <p>(d) two (2) independent members.</p> <p>The Grid Management Committee and Distribution Management Committee, each has a seat in the Technical Committee and, as far as practicable, shall be represented by their respective Chairpersons and provided further that the Grid Management Committee or the Distribution Management Committee representative is not from System Operator.</p>	<p><del>Section 8.04</del> <b>8.1.</b> Composition. The <i>Technical Committee</i> shall consist of <del>at least five (5)</del> <b>one (1)</b> members <b><u>independent member, one (1) member representing the generation sector, one (1) member representing the distribution sector, one (1) member representing the System Operator and one (1) member representing the Market Operator. The Chairperson of the Technical Committee shall be an independent member.</u></b> with a representative from the following:</p> <p><del>(a) one (1) member from the Grid Management Committee;</del></p> <p><del>(b) one (1) member from the Distribution Management Committee;</del></p> <p><del>(c) one (1) member from the System Operator; and</del></p> <p><del>(d) two (2) independent members.</del></p> <p><del>The Grid Management Committee and Distribution Management Committee, each has a seat in the Technical Committee and, as far as practicable, shall be represented by their respective Chairpersons and provided further that the Grid Management Committee or the Distribution Management Committee representative is not from System Operator.</del></p>	<p><del>Section 8.04</del> <b>8.1.</b> Composition. The <i>Technical Committee</i> shall consist of <del>at least five (5)</del> members <b><u>four (4) independent members, one (1) member representing the System Operator, and one (1) member representing the Market Operator. The independent members shall be composed of one (1) economist, one (1) information technology expert and two (2) power industry experts covering generation and distribution operations.</u></b></p> <p><b><u>The Chairperson of the Technical Committee shall be an independent member.</u></b> with a representative from the following:</p> <p><del>(a) one (1) member from the Grid Management Committee;</del></p> <p><del>(b) one (1) member from the Distribution Management Committee;</del></p> <p><del>(c) one (1) member from the System Operator; and</del></p> <p><del>(d) two (2) independent members.</del></p> <p><del>The Grid Management Committee and Distribution Management Committee, each has a seat in the Technical Committee and, as far as practicable, shall be represented by their respective Chairpersons and provided further</del></p>	<ul style="list-style-type: none"> <li>• To reflect changes due to the dissolution of the DMC and GMC offices.</li> <li>• To align with the directive of the DOE for the independent membership of WGC.</li> </ul>

Title	Section	Provision	PEM Board-Approved Proposed Amendment (2020)	Proposed Amendment (2022) <sup>1</sup>	Rationale
				<del>that the Grid Management Committee or the Distribution Management Committee representative is not from System Operator.</del>	
Technical Committee	8.02	Section 8.02 Appointment xxx	<del>Section 8.02</del> <b>8.02</b> Appointment xxx	<del>Section 8.02</del> <b>8.02</b> Appointment xxx	Enhancement and re-numbering for consistency with the format of Market Manuals
	8.03	Section 8.03 Qualifications. In addition to the qualification requirements under other provisions of these Guidelines and pertinent laws and rules, a member of the Technical Committee must have sufficient relevant experience in one or more of the following areas:  (a) Power system operations; (b) Information Technology and Information System; and/or (c) In such other fields as may be relevant to and required in the performance of the responsibilities of the Technical Committee.	<del>Section 8.03</del> <b>8.3</b> Qualifications. In addition to the qualification requirements under other provisions of these <i>Guidelines</i> and pertinent laws and rules, a <b>the Independent members</b> member of the <i>Technical Committee</i> must <b>shall</b> have sufficient relevant experience in one <b>(1)</b> or more of the following <b>areas fields</b> :  (a) Power system operations; (b) Information Technology and Information System; and/or (c) <b>Generation;</b> <b>(d) Distribution;</b> <b>(e) Metering; and/or</b> <b>(f) In such Such</b> other fields as may be relevant to and required in the performance of the responsibilities of the <i>Technical Committee</i> .	<del>Section 8.03</del> <b>8.3</b> Qualifications. In addition to the qualification requirements under <del>other</del> provisions <b>Section 4.3</b> of these <b>this</b> <i>Guidelines</i> and pertinent laws and rules, a <b>the Independent members</b> member of the <i>Technical Committee</i> must <b>shall</b> have sufficient relevant experience in one or more of the following <b>areas fields</b> :  (a) <del>Power system operations</del> <b>power industry covering generation and distribution operations;</b> (b) Information Technology and Information System; and/or (c) <b>Economics; or</b> <b>(d) In such Such</b> other fields as may be relevant to and required in the performance of the responsibilities of the <i>Technical Committee</i> .	<ul style="list-style-type: none"> <li>• Enhancement and re-numbering for consistency with the format of Market Manuals</li> <li>• To clarify that the independent criteria qualification under Section 4.3 applies to this provision.</li> </ul>



Title	Section	Provision	PEM Board-Approved Proposed Amendment (2020)	Proposed Amendment (2022) <sup>1</sup>	Rationale
Technical Committee	8.04	Section 8.04 Responsibilities xxx	<del>Section 8.04</del> <b>8.4</b> Responsibilities xxx	<del>Section 8.04</del> <b>8.4</b> Responsibilities xxx	Enhancement and re-numbering for consistency with the format of Market Manuals
Technical Committee	8.05	Section 8.05 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 his reappointment be made for more than two consecutive terms.  Service by a member for less than one year shall not be considered one term.		<del>Section 8.05</del> <b>8.5</b> 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 <del>his reappointment be made</del> <b>a member serve</b> for more than <del>two</del> <b>three (3)</b> consecutive terms.  Service by a member for less than one year shall not be considered one term.	<ul style="list-style-type: none"> <li>To clarify the term of office in accordance with the current practice.</li> </ul>
Technical Committee	8.06	Section 8.06 Vacancy. Any vacancy shall be filled by appointment of the PEM Board and the appointee shall serve only the unexpired portion thereof.	<del>Section 8.06</del> Vacancy. Any vacancy shall <del>be filled by appointment of the PEM Board and the appointee shall serve only the unexpired portion thereof.</del>	<del>Section 8.06</del> Vacancy. Any vacancy shall <del>be filled by appointment of the PEM Board and the appointee shall serve only the unexpired portion thereof.</del>	A general provision on filling-up vacancies is added as Section 3.1.2.
Technical Committee	8.07	Section 8.07 Conduct of Business, Voting and Procedures xxx	<del>Section 8.07</del> <b>8.6</b> Conduct of Business, Voting and Procedures xxx	<del>Section 8.07</del> <b>8.6</b> Conduct of Business, Voting and Procedures xxx	Enhancement and re-numbering due to deletion of Section 8.06 and for consistency with the format of Market Manuals
Dispute Resolution Group	9	Article IX. Dispute Resolution Group	<del>Article IX.</del> <b>Section 9</b> <i>Dispute Resolution Group Administrator</i>	<del>Article IX.</del> <b>Section 9</b> <i>Dispute Resolution Group Administrator</i>	<ul style="list-style-type: none"> <li>To reflect amendments as per DOE DC No. 2018-05-0016</li> </ul>

Title	Section	Provision	PEM Board-Approved Proposed Amendment (2020)	Proposed Amendment (2022) <sup>1</sup>	Rationale
					<ul style="list-style-type: none"> <li>Enhancement and re-numbering for consistency with the format of Market Manuals</li> </ul>
	9.01	Section 9.01 Composition. The Dispute Resolution Group shall consist of seven (7) members and a Dispute Resolution Administrator as chairperson.	<del>Section 9.01 Composition. The Dispute Resolution Group shall consist of seven (7) members and a Dispute Resolution Administrator as chairperson.</del>	<del>Section 9.01 Composition. The Dispute Resolution Group shall consist of seven (7) members and a Dispute Resolution Administrator as chairperson.</del>	<ul style="list-style-type: none"> <li>To reflect amendments as per DOE DC No. 2018-05-0016</li> </ul>
	9.02	<p>Section 9.02 Appointment. The PEM Board appoints the members and the chairperson of the DRG.</p> <p>Consistent with the WESM Rules, the DRA, together with the Selection Committee, shall select the members of the DRG following the qualifications provided below. Thereafter, the DRA shall present the shortlisted nominees for the appointment of the PEM Board.</p> <p>The PEM Board shall endeavor to appoint persons with expertise necessary to ensure that combined expertise of the members of the DRG covers the areas of their concerned functions and responsibilities.</p>	<p><del>Section 9.02 <u>9.1</u> Appointment. The <i>PEM Board shall</i> appoints the members and the chairperson of the DRG.</del></p> <p><del>Consistent with the WESM Rules, the DRA, together with the Selection Committee, shall select the members of the DRG following the qualifications provided below. Thereafter, the DRA shall present the shortlisted nominees for the appointment of the PEM Board.</del></p> <p><del>The PEM Board shall endeavor to appoint persons with expertise necessary to ensure that combined expertise of the members of the DRG covers the areas of their concerned functions and responsibilities. <u>a person to act as the Dispute Resolution Administrator.</u></del></p>	<p>Section 9.02 <u>9.1</u> Appointment. The <i>PEM Board shall</i> appoints the members and the chairperson of the DRG.</p> <p>Consistent with the WESM Rules, the DRA, together with the Selection Committee, shall select the members of the DRG following the qualifications provided below. Thereafter, the DRA shall present the shortlisted nominees for the appointment of the PEM Board.</p> <p>The PEM Board shall endeavor to appoint persons with expertise necessary to ensure that combined expertise of the members of the DRG covers the areas of their concerned functions and responsibilities. <u>a person to act as the Dispute Resolution Administrator.</u></p>	<ul style="list-style-type: none"> <li>To reflect amendments as per DOE DC No. 2018-05-0016</li> <li>Enhancement and re-numbering due to deletion of Section 9.01 and for consistency with the format of Market Manuals</li> </ul>
Dispute Resolution Group	9.03	Section 9.03 Qualifications. In addition to the qualification requirements under other provisions of these Guidelines and pertinent	Section 9.03 <u>9.2</u> Qualifications. In addition to the qualification requirements under other provisions of these <i>Guidelines</i> and pertinent	Section 9.03 <u>9.2</u> Qualifications. In addition to the qualification requirements under other provisions of these <i>Guidelines</i> and pertinent	<ul style="list-style-type: none"> <li>To reflect amendments as per DOE DC No. 2018-05-0016</li> <li>Enhancement and re-numbering due to deletion of</li> </ul>

Title	Section	Provision	PEM Board-Approved Proposed Amendment (2020)	Proposed Amendment (2022) <sup>1</sup>	Rationale
		laws and rules, Dispute Resolution Group and Dispute Resolution Administrator must:  xxx	laws and rules, <del>the Dispute Resolution Group and Dispute Resolution Administrator</del> must:  xxx	laws and rules, <del>the Dispute Resolution Group and Dispute Resolution Administrator</del> must:  xxx	Section 9.01 and for consistency with the format of Market Manuals
	9.04	Section 9.04 Responsibilities. The Dispute Resolution Administrator and Dispute Resolution Group tasked to facilitate the mediation of the dispute between the parties to reach resolution in accordance with the dispute resolution process and in addition to the responsibilities under applicable rules, shall have the following specific duties and functions:  (a) To mediate, arbitrate and resolve disputes as described in the WESM Rules between any of the following:  (i) The Market Operator; (ii) The System Operator; (iii) The PEM Board and its Working Groups, except the Dispute Resolution Administrator; (iv) WESM Members; (v) Intending WESM Members; and (vi) Persons notified by the Market Operator that their application for	<del>Section 9.04</del> <b>9.3</b> Responsibilities. The <del>Dispute Resolution Administrator and Dispute Resolution Group</del> <b>is</b> tasked to facilitate the <del>mediation</del> <b>amicable resolution</b> of the disputes between the parties to reach resolution in accordance with the <b>WESM</b> dispute resolution process and, in addition to the responsibilities under applicable rules, shall have the following specific duties and functions:  (a) To <b>facilitate the</b> <del>mediate, arbitrate and resolve</del> <b>mediation and arbitration of</b> disputes as described in the <b>WESM Rules</b> between any of the following:  (i) The <i>Market Operator</i> ; (ii) The <i>System Operator</i> ; (iii) The <i>PEM Board</i> and its <del>Working Groups</del> <b>WESM Governance Committees</b> , except the <i>Dispute Resolution Administrator</i> ; (iv) <i>WESM Members</i> ; <b>and</b> (v) <i>Intending WESM Members</i> ; <b>and</b> (vi) <del>Persons notified by the Market Operator that their application for registration as WESM Member has been unsuccessful as to:</del>	<del>Section 9.04</del> <b>9.3</b> Responsibilities. The <del>Dispute Resolution Administrator and Dispute Resolution Group</del> <b>is</b> tasked to facilitate the <del>mediation</del> <b>amicable resolution</b> of the disputes between the parties to reach resolution in accordance with the <b>WESM</b> dispute resolution process and, in addition to the responsibilities under applicable rules, shall have the following specific duties and functions:  (c) To <b>facilitate the</b> <del>mediate, arbitrate and resolve</del> <b>mediation and arbitration of</b> disputes as described in the <b>WESM Rules</b> between any of the following:  (i) The <i>Market Operator</i> ; (ii) The <i>System Operator</i> ; (iii) The <i>PEM Board</i> and its <del>Working Groups</del> <b>WESM Governance Committees</b> , except the <i>Dispute Resolution Administrator</i> ; (iv) <i>WESM Members</i> ; <b>and</b> (v) <i>Intending WESM Members</i> ; <b>and</b> (vi) <del>Persons notified by the Market Operator that their application for registration as WESM Member has been unsuccessful as to:</del>	<ul style="list-style-type: none"> <li>• To reflect amendments as per DOE DC No. 2018-05-0016</li> <li>• Enhancement and re-numbering due to deletion of Section 9.01 and for consistency with the format of Market Manuals</li> </ul>

Title	Section	Provision	PEM Board-Approved Proposed Amendment (2020)	Proposed Amendment (2022) <sup>1</sup>	Rationale
		<p>registration as WESM Member has been unsuccessful as to:</p> <ol style="list-style-type: none"> <li>1. The application or interpretation of the WESM Rules; or</li> <li>2. 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; or</li> <li>3. A dispute under or in relation to other rules and regulations issued by the</li> </ol>	<p>(b) <u>To facilitate the mediation and arbitration of disputes arising from or in connection with or in relation to one or more of the following:</u></p> <p>4.-(i) The application or interpretation of the <i>WESM Rules</i>; or</p> <p>2.-(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 <i>WESM Rules</i> are to apply to any dispute under or in relation to that contract with respect to the application of the <i>WESM Rules</i>; or</p> <p>3.-(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</p> <p>4.-(iv) The failure of an entity or entities to act or behave in a manner consistent with the WESM Rules; <u>or</u></p>	<p>(d) <u>To facilitate the mediation and arbitration of disputes arising from or in connection with or in relation to one or more of the following:</u></p> <p>4.-(i) The application or interpretation of the <i>WESM Rules</i>; or</p> <p>2.-(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 <i>WESM Rules</i> are to apply to any dispute under or in relation to that contract with respect to the application of the <i>WESM Rules</i>; or</p> <p>3.-(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</p> <p>4.-(iv) The failure of an entity or entities to act or behave in a manner consistent with the WESM Rules; <u>or</u></p>	

Title	Section	Provision	PEM Board-Approved Proposed Amendment (2020)	Proposed Amendment (2022) <sup>1</sup>	Rationale
		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  4. The failure of an entity or entities to act or behave in a manner consistent with the WESM Rules;  5. An obligation to settle payment under the WESM Rules; or  6. The failure of a person to become registered as a WESM Member.  (b) The DRG shall perform all other functions and duties referred to in the WESM Rules and in accordance with applicable laws and rules.	<del>5. (v) An obligation to settle payment under the WESM Rules; or</del>  <del>6. The failure of a person to become registered as a WESM Member.</del>  <del>(b) The DRG shall perform all other functions and duties referred to in the WESM Rules and in accordance with applicable laws and rules.</del>	<del>5. (v) An obligation to settle payment under the WESM Rules; or</del>  <del>6. The failure of a person to become registered as a WESM Member.</del>  <del>(b) The DRG shall perform all other functions and duties referred to in the WESM Rules and in accordance with applicable laws and rules.</del>	
Dispute Resolution Group	9.05	Section 9.05 Term of Office. The term of office of the members of the DRG shall be appointed for three (3) years. Members of the DRG may be eligible for reappointment but in no case shall his reappointment be made for more than two consecutive terms.  Any member whose term of office expires while he is a member of a Dispute Resolution Panel	<del>Section 9.05</del> <b>9.4</b> Term of Office. The term of office <del>of the members of the DRG shall be appointed for three (3) years. Members of the DRG may be eligible for reappointment but in no case shall his reappointment be made for more than two consecutive terms.</del>  <del>Any member whose term of office expires while he is a member of a Dispute Resolution Panel</del>	<del>Section 9.05</del> <b>9.4</b> Term of Office. The term of office <del>of the members of the DRG shall be appointed for three (3) years. Members of the DRG may be eligible for reappointment but in no case shall his reappointment be made for more than two consecutive terms.</del>  <del>Any member whose term of office expires while he is a member of a Dispute Resolution Panel</del>	<ul style="list-style-type: none"> <li>• To reflect amendments as per DOE DC No. 2018-05-0016</li> <li>• Enhancement and re-numbering due to deletion of Section 9.01 and for consistency with the format of Market Manuals</li> </ul>

Title	Section	Provision	PEM Board-Approved Proposed Amendment (2020)	Proposed Amendment (2022) <sup>1</sup>	Rationale
		involved in the arbitration or other resolution of an ongoing dispute, shall continue to hold the position and shall be obliged to complete his or her functions as a member of such panel with respect to such dispute only, when highly necessary, for the immediate resolution of the dispute and upon reasonable determination of the DRA.  Service of a member for not more than one year shall not be considered one term.	<del>involved in the arbitration or other resolution of an ongoing dispute, shall continue to hold the position and shall be obliged to complete his or her functions as a member of such panel with respect to such dispute only, when highly necessary, for the immediate resolution of the dispute and upon reasonable determination of the DRA.</del>  <del>Service of a member for not more than one year shall not be considered one term.</del>  <b><u>The DRA shall be appointed for a fixed term of five (5) years and shall be eligible for re-appointment for one additional fixed term.</u></b>	<del>involved in the arbitration or other resolution of an ongoing dispute, shall continue to hold the position and shall be obliged to complete his or her functions as a member of such panel with respect to such dispute only, when highly necessary, for the immediate resolution of the dispute and upon reasonable determination of the DRA.</del>  <del>Service of a member for not more than one year shall not be considered one term.</del>  <b><u>The DRA shall be appointed for a fixed term of five (5) years and shall be eligible for re-appointment for one additional fixed term.</u></b>  <b><u>Service by the DRA for less than one year shall not be considered one term.</u></b>	<ul style="list-style-type: none"> <li>To provide for uniform provision for all WGC in case of service for less than a year.</li> </ul>
Dispute Resolution Group	9.06	Section 9.06 Vacancy. Any vacancy shall be filled by appointment of the PEM Board and the appointee shall serve only the unexpired portion thereof.	<del>Section 9.06 Vacancy. Any vacancy shall be filled by appointment of the PEM Board and the appointee shall serve only the unexpired portion thereof.</del>	<del>Section 9.06 Vacancy. Any vacancy shall be filled by appointment of the PEM Board and the appointee shall serve only the unexpired portion thereof.</del>	A general provision on filling-up vacancies is added as Section 3.1.2.
	9.07	Section 9.07 Conduct of Business, Voting and Procedure. The Dispute Resolution Group may promulgate its own rules of procedure in accordance with the purpose for which each PEM Committee is created and always consistent with the EPIRA, the WESM Rules,	<del>Section 9.07</del> <b><u>9.5</u></b> Conduct of Business, Voting and Procedure. The <del>Dispute Resolution Group</del> <b><u>Administrator</u></b> may promulgate its own rules of procedure in accordance with the purpose for which each PEM <b><u>WESM Governance Committee</u></b> is created and always consistent	<del>Section 9.07</del> <b><u>9.5</u></b> Conduct of Business, Voting and Procedure. The <del>Dispute Resolution Group</del> <b><u>Administrator</u></b> may promulgate its own rules of procedure in accordance with the purpose for which each PEM <b><u>WESM Governance Committee</u></b> is created and always consistent	<ul style="list-style-type: none"> <li>Reflect that this Market Manual refers solely to WESM Governance Committees</li> </ul>

Title	Section	Provision	PEM Board-Approved Proposed Amendment (2020)	Proposed Amendment (2022) <sup>1</sup>	Rationale
		<p>the PEMC Charter and these Guidelines. The dispute resolution process shall be guided by the following rules and/or by a process as may be applicable based on generally accepted procedure in dispute resolution:</p> <p>(a) The presence of majority of all members of the Dispute Resolution Panel shall constitute a quorum for the transaction of business.</p> <p>(b) The majority vote of all members of the Dispute Resolution Panel is required to constitute a valid Dispute Resolution Panel decision. In case of disagreement, absence of a member or a vacancy, no decision shall be valid except made by a unanimous vote of the majority of all members of the Dispute Resolution Panel.</p> <p>(c) In case of a vacancy or absence of a member of the Dispute Resolution Panel, the remaining members shall continue to perform its functions and duties provided that there is a quorum. Otherwise, the Dispute Resolution Administrator must appoint replacement of such member in the Dispute Resolution Panel to be selected from among the members of the Dispute Resolution Group.</p>	<p>with the <i>EPIRA</i>, the <i>WESM Rules</i>, the <i>PEMC Charter</i> <u><i>Articles of Incorporation its By-Laws</i></u> and these <i>Guidelines</i>. The dispute resolution process shall be guided by the <del>following</del> <u>applicable</u> rules and/or <del>by a process and processes</del> <u>as may be applicable based on the Dispute Resolution Manual.</u> generally <del>accepted procedure in dispute resolution:</del></p> <p><del>(a) The presence of majority of all members of the Dispute Resolution Panel shall constitute a quorum for the transaction of business.</del></p> <p><del>(b) The majority vote of all members of the Dispute Resolution Panel is required to constitute a valid Dispute Resolution Panel decision. In case of disagreement, absence of a member or a vacancy, no decision shall be valid except made by a unanimous vote of the majority of all members of the Dispute Resolution Panel.</del></p> <p><del>(c) In case of a vacancy or absence of a member of the Dispute Resolution Panel, the remaining members shall continue to perform its functions and duties provided that there is a quorum. Otherwise, the Dispute Resolution Administrator must appoint replacement of such</del></p>	<p>with the <i>EPIRA</i>, the <i>WESM Rules</i>, the <i>PEMC Charter</i> <u><i>Articles of Incorporation its By-Laws</i></u> and these <i>Guidelines</i>. The dispute resolution process shall be guided by the <del>following</del> <u>applicable</u> rules and/or <del>by a process and processes</del> <u>as may be applicable based on the Dispute Resolution Manual.</u> generally <del>accepted procedure in dispute resolution:</del></p> <p><del>(a) The presence of majority of all members of the Dispute Resolution Panel shall constitute a quorum for the transaction of business.</del></p> <p><del>(b) The majority vote of all members of the Dispute Resolution Panel is required to constitute a valid Dispute Resolution Panel decision. In case of disagreement, absence of a member or a vacancy, no decision shall be valid except made by a unanimous vote of the majority of all members of the Dispute Resolution Panel.</del></p> <p><del>(c) In case of a vacancy or absence of a member of the Dispute Resolution Panel, the remaining members shall continue to perform its functions and duties provided that there is a quorum. Otherwise, the Dispute Resolution Administrator must appoint replacement of such</del></p>	<ul style="list-style-type: none"> <li>• To reflect amendments as per DOE DC No. 2018-05-0016</li> <li>• Consistent with the previous amendments of the MSC approved by the RCC (Resolution 18-06) and PEM Board (Resolution 2018-03-05), which are currently for DOE approval.</li> <li>• Enhancement and re-numbering due to deletion of Sections 9.01 and 9.06, and for consistency with the format of Market Manuals</li> </ul>

Title	Section	Provision	PEM Board-Approved Proposed Amendment (2020)	Proposed Amendment (2022) <sup>1</sup>	Rationale
		<p>(d) In the absence of a Dispute Resolution Panel head / chair for a particular meeting, a temporary head/chair shall be elected by the majority of the members present constituting a quorum subject to the approval of the Dispute Resolution Administrator.</p> <p>(e) The Acting Dispute Resolution Panel chair/head shall serve until a new one is appointed by the Dispute Resolution Administrator.</p>	<p><del>member in the Dispute Resolution Panel to be selected from among the members of the Dispute Resolution Group.</del></p> <p><del>(d) In the absence of a Dispute Resolution Panel head / chair for a particular meeting, a temporary head/chair shall be elected by the majority of the members present constituting a quorum subject to the approval of the Dispute Resolution Administrator.</del></p> <p><del>(e) The Acting Dispute Resolution Panel chair/head shall serve until a new one is appointed by the Dispute Resolution Administrator.</del></p>	<p><del>member in the Dispute Resolution Panel to be selected from among the members of the Dispute Resolution Group.</del></p> <p><del>(d) In the absence of a Dispute Resolution Panel head / chair for a particular meeting, a temporary head/chair shall be elected by the majority of the members present constituting a quorum subject to the approval of the Dispute Resolution Administrator.</del></p> <p><del>(e) The Acting Dispute Resolution Panel chair/head shall serve until a new one is appointed by the Dispute Resolution Administrator.</del></p>	
		(new)		<b><u>Section 10 The Compliance Committee</u></b>	
		(new)		<p><b><u>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.</u></b></p>	<ul style="list-style-type: none"> <li>Per WESM Rules 1.8.1, all members are supposed to be independent and as may be deemed by the PEM Board in terms of number</li> <li>A member should be a lawyer since one of the CC's main responsibilities is the oversight on compliance monitoring and investigation, which may, at times, require application of</li> </ul>



Title	Section	Provision	PEM Board-Approved Proposed Amendment (2020)	Proposed Amendment (2022) <sup>1</sup>	Rationale
					pertinent rules (e.g. legal remedies, due process, etc.) and knowledge on possible legal implications of certain action/s, extensive experience in interviewing, fact-finding and practice of law in general.
		(new)		<u>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 the functions and responsibilities of the Compliance Committee.</u>	<ul style="list-style-type: none"> <li>• Per WESM Rules 1.8.1</li> </ul>
				<u>10.3 Qualifications. In addition to the qualification requirements under other provisions of these guidelines, pertinent laws and rules, a member of the Compliance Committee must have sufficient relevant experience in one or more of the following fields:</u>  <u>a) Competitive wholesale electricity markets or financial or commodity markets;</u>  <u>b) Philippine laws and regulations pertaining to electricity;</u>  <u>c) Competition laws and policies;</u>  <u>d) Power system operations;</u>  <u>e) Economics; or</u>	<ul style="list-style-type: none"> <li>• Consistent with WESM Rules Clause 1.8.1, providing the requisite qualifications for a Compliance Committee member</li> </ul>

Title	Section	Provision	PEM Board-Approved Proposed Amendment (2020)	Proposed Amendment (2022) <sup>1</sup>	Rationale
				<u>f) Such other fields as may be relevant for the Compliance Committee to perform its tasks.</u>	
		(new)		<p><u>10.4 Responsibilities. The Compliance Committee shall from time to time, as necessary, and as appropriate, or whenever the PEM Board directs:</u></p> <p><u>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;</u></p> <p><u>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;</u></p> <p><u>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</u></p>	<ul style="list-style-type: none"> <li>• Consistent with WESM Rules Clause 1.8.2</li> </ul>

Title	Section	Provision	PEM Board-Approved Proposed Amendment (2020)	Proposed Amendment (2022) <sup>1</sup>	Rationale
				<p><u>governing the performance of their functions and obligations under the WESM Rules and Market Manuals;</u></p> <p><u>d) Propose amendments to the WESM Rules or Market Manuals in accordance with Chapter 8 with a view of: (i) Improving the efficiency and the effectiveness of the operation of the WESM; and (ii) Improving or enhancing the prospects for the achievement of the WESM objectives;</u></p> <p><u>(e) Assist the Rules Change Committee in relation to its assessment of proposals to amend the WESM Rules or Market Manuals under Chapter 8: and</u></p> <p><u>(f) Perform such other functions as may be required by relevant Market Manuals.</u></p>	
		(new)		<p><u>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.</u></p> <p><u>Service by a member for less than one year shall not be considered one term.</u></p>	<ul style="list-style-type: none"> <li>Adopted from the provisions of the Guidelines as applicable to the Compliance Committee</li> </ul>

Title	Section	Provision	PEM Board-Approved Proposed Amendment (2020)	Proposed Amendment (2022) <sup>1</sup>	Rationale
		(new)		<p><u>10.6 Conduct of Business, Voting and Procedure. The Compliance Committee may promulgate its own rules of procedure in accordance with the purpose for which each committee is created and always consistent with the EPIRA, the WESM Rules, the PEMC Articles of Incorporation its By-Laws and these Guidelines.</u></p> <p><u>(a) The presence of majority of all members shall constitute a quorum for the transaction of business. Guidelines Governing the Constitution of the PEM Board Committees.</u></p> <p><u>(b) The vote of the majority of those present constituting a quorum shall be sufficient for a valid committee decision.</u></p> <p><u>(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.</u></p> <p><u>(d) In case of absence of the Chairperson for a particular meeting, a temporary Chairperson shall be elected by the majority</u></p>	Adopted from the provisions of the Guidelines as applicable to the Compliance Committee

Title	Section	Provision	PEM Board-Approved Proposed Amendment (2020)	Proposed Amendment (2022) <sup>1</sup>	Rationale
				<p><u>of the members present constituting a quorum.</u></p> <p><u>(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 these Guidelines.</u></p> <p><u>(f) In the event of a deadlock, the Chairperson of the Committee shall be entitled to a second or casting vote.</u></p>	
Standards of Conduct for Members of the Committees	10	Article X. Standards of Conduct for Members of the Committees	<del>Article X.</del> <b>Section 10</b> Standards of Conduct for Members of the Committees	<del>Article X.</del> <b>Section 11</b> Standards of Conduct for Members of the Committees	
	10.01	Section 10.01 To enable the PEM Committees to discharge their collective responsibilities under the WESM Rules, each member shall:  xxx	Section 10.04 <b>10.1</b> To enable the PEM <b>WESM Governance Committees</b> to discharge their collective responsibilities under the <b>WESM Rules</b> , each member shall:  xxx	Section 10.04 <b>11.1</b> To enable the PEM <b>WESM Governance Committees</b> to discharge their collective responsibilities under the <b>WESM Rules</b> , each member shall:  xxx	

Title	Section	Provision	PEM Board-Approved Proposed Amendment (2020)	Proposed Amendment (2022) <sup>1</sup>	Rationale
		(g) Avoid actual or potential conflicts of interest by refraining from participating in any activity that could:  xxx  (iii) Take advantage of his position as member of a PEM Committee in the conduct of an outside business;  xxx	(g) Avoid actual or potential conflicts of interest by refraining from participating in any activity that could:  xxx  (iii) Take advantage of his position as member of a <u>PEM WESM Governance Committee</u> in the conduct of an outside business;  xxx	(g) Avoid actual or potential conflicts of interest by refraining from participating in any activity that could:  xxx  (iii) Take advantage of his position as member of a <u>PEM WESM Governance Committee</u> in the conduct of an outside business;  xxx	
Standards of Conduct for Members of the Committees	10.02 10.03	Section 10.02 A breach of any of the foregoing standards of conduct shall be a ground for termination under Section 4.03 of these Guidelines.	<del>Section 10.02</del> <b>10.2</b> A breach of any of the foregoing standards of conduct shall be a ground for <del>termination</del> <u>disqualification</u> under Section 4.03 <b>4.2</b> of these <i>Guidelines</i> .	<del>Section 10.02</del> <b>11.2</b> A breach of any of the foregoing standards of conduct shall be a ground for <del>termination</del> <u>disqualification</u> under Section 4.03 <b>4.2</b> of these <i>Guidelines</i> .	
		Section 10.01 Performance Evaluation. The Board, through the PEMC President and with the assistance of the Market Assessment Group, shall regularly evaluate the performance of the Committee in accordance with a standard duly set for this purpose	<del>40.03</del> <b>10.3</b> Performance Evaluation. The <u>PEM Board</u> , through the <i>PEMC</i> President <del>and with the assistance of the Market Assessment Group</del> , shall regularly evaluate the performance of the <u>WESM Governance Committee</u> in accordance with a standard duly set for this purpose.	<del>40.03</del> <b>11.3</b> Performance Evaluation. The <u>PEM Board</u> , through the <i>PEMC</i> President <del>and with the assistance of the Market Assessment Group</del> , shall regularly evaluate the performance of the <u>WESM Governance Committee</u> s in accordance with a standard duly set for this purpose.	
	10.04	Section 10.04 Committee Honoraria. The President of PEMC has the authority to formulate company policy and guidelines for the grant of privileges, per diems and other benefits for the Committee members and subject to the availability of fund.	<del>Section 10.04</del> <b>10.4</b> Committee Honoraria. The <del>President of PEMC</del> <u>PEM Board</u> has the authority to formulate company policy and guidelines for the grant of privileges, per diems and other benefits for the <u>WESM Governance Committee</u> members and subject to the availability of fund.	<del>Section 10.04</del> <b>11.4</b> Committee Honoraria. The <del>President of PEMC</del> <u>PEM Board</u> has the authority to formulate company policy and guidelines for the grant of privileges, per diems and other benefits for the <u>WESM Governance Committee</u> members and subject to the availability of fund.	<ul style="list-style-type: none"> <li>To reflect the appropriate authority who approves the granting of honoraria and other privileges for WESM Governance Committee members.</li> </ul>

Title	Section	Provision	PEM Board-Approved Proposed Amendment (2020)	Proposed Amendment (2022) <sup>1</sup>	Rationale
					<ul style="list-style-type: none"> <li>• Reflect that this Market Manual refers solely to WESM Governance Committees</li> <li>• Enhancement and re-numbering for consistency with the format of Market Manuals</li> </ul>
Limitations of Liabilities and Indemnification	11	<p>Article XI. Limitations of Liabilities and Indemnification</p> <p>Section 11.01 xxx</p> <p>Section 11.02 xxx</p>	<p><del>Article XI.</del> <b>Section 11</b> Limitations of Liabilities and Indemnification</p> <p><del>Section 11.01</del> <b>11.1</b> xxx</p> <p><del>Section 11.02</del> <b>11.2</b> xxx</p>	<p><del>Article XI.</del> <b>Section 12</b> Limitations of Liabilities and Indemnification</p> <p><del>Section 11.01</del> <b>12.1</b> xxx</p> <p><del>Section 11.02</del> <b>12.2</b> xxx</p>	Enhancement and re-numbering for consistency with the format of Market Manuals
Amendments	12	<p>Article XII. Amendments</p> <p>Section 12.01 Any amendments to this Manual on Guidelines Governing the Constitution of the PEM Board 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.</p>	<p><del>Article XII.</del> <b>Section 12</b> Amendments</p> <p><del>Section 12.01</del> Any amendments to this Manual on Guidelines Governing the Constitution of the <del>PEM Board</del> <b>WESM Governance Committees</b> shall be approved by the DOE, following the procedures for changes to <i>Market Manual</i> set out in the <i>WESM Rules</i> and in the relevant <i>Market Manual</i>.</p>	<p><del>Article XII.</del> <b>Section 13</b> Amendments</p> <p><del>Section 12.01</del> Any amendments to this Manual on Guidelines Governing the Constitution of the <del>PEM Board</del> <b>WESM Governance Committees</b> shall be approved by the DOE, following the procedures for changes to <i>Market Manual</i> set out in the <i>WESM Rules</i> and in the relevant <i>Market Manual</i>.</p>	<ul style="list-style-type: none"> <li>• Reflect that this Market Manual refers solely to WESM Governance Committees</li> <li>• Enhancement and re-numbering for consistency with the format of Market Manuals</li> </ul>
Separability Clause	13	<p>Article XIII. Separability Clause</p> <p>Section 13.01 Should any provision or section of this Manual on Guidelines Governing the Constitution of the PEM Board Committees be declared unconstitutional or</p>	<p><del>Article XIII.</del> <b>Section 13</b> Separability Clause</p> <p><del>Section 13.01</del> Should any provision or section of this Manual on Guidelines Governing the Constitution of the <del>PEM Board</del> <b>WESM Governance Committees</b> be declared</p>	<p><del>Article XIII.</del> <b>Section 14</b> Separability Clause</p> <p><del>Section 13.01</del> Should any provision or section of this Manual on Guidelines Governing the Constitution of the <del>PEM Board</del> <b>WESM Governance Committees</b> be declared</p>	<ul style="list-style-type: none"> <li>• Reflect that this Market Manual refers solely to WESM Governance Committees</li> </ul>

Title	Section	Provision	PEM Board-Approved Proposed Amendment (2020)	Proposed Amendment (2022) <sup>1</sup>	Rationale
		contrary to law, the parts not so declared shall remain in full force and effect.	unconstitutional or contrary to law, the parts not so declared shall remain in full force and effect.	unconstitutional or contrary to law, the parts not so declared shall remain in full force and effect.	<ul style="list-style-type: none"> <li>Enhancement and re-numbering for consistency with the format of Market Manuals</li> </ul>
Publication and Effectivity	14	<p>Article XIV. Publication and Effectivity</p> <p>Section 14.01 This Market Manual, as it may be amended from time to time, shall be published in the market information website maintained by the Market Operator.</p> <p>This Market Manual or any amendments thereto shall become effective upon approval of the DOE in accordance with the WESM Rules Clause 8.6.4. The date of effectivity shall be indicated in this document.</p>	<p><del>Article XIV.</del> <b>Section 14</b> Publication and Effectivity</p> <p><del>Section 14.01</del> This <i>Market Manual</i>, as it may be amended from time to time, shall be published in the <u>PEMC Website</u> market information website maintained by the Market Operator.</p> <p>This <i>Market Manual</i> or any amendments thereto shall become effective upon approval of the <i>DOE</i> in accordance with the <i>WESM Rules</i> Clause 8.6.4. The date of effectivity shall be indicated in this document.</p>	<p><del>Article XIV.</del> <b>Section 15</b> Publication and Effectivity</p> <p><del>Section 14.01</del> This <i>Market Manual</i>, as it may be amended from time to time, shall be published in the <u>Governance Arm Website</u> market information website maintained by the Market Operator.</p> <p>This <i>Market Manual</i> or any amendments thereto shall become effective upon approval of the <i>DOE</i> in accordance with the <i>WESM Rules</i> Clause 8.6.4. The date of effectivity shall be indicated in this document.</p>	<ul style="list-style-type: none"> <li>Enhancement and re-numbering for consistency with the format of Market Manuals</li> <li>To align with DOE DC2021-10-0034; To differentiate the market information website from the PEMC website, wherein all Market Rules and Manuals are published by PEMC as the governing body of WESM</li> </ul>
Nomination Form	APPENDIX A	<p>Nomination to:</p> <p>Dispute Resolution Group</p> <p>Audit Committee</p> <p>xxx</p>	<p>[Change logo to most recent WESM Logo]</p> <p>Nomination to:</p> <p>Dispute Resolution Group <u>Administrator</u></p> <p><u>PEM</u> Audit Committee</p>	<p>[Change logo to most recent WESM Logo]</p> <p>Nomination to:</p> <p>Dispute Resolution Group <u>Administrator</u></p> <p><u>PEM</u> Audit Committee</p>	<ul style="list-style-type: none"> <li>Reflect that this Market Manual refers solely to WESM Governance Committees</li> <li>Enhancement and re-numbering for consistency with the format of Market Manuals</li> <li>Inclusion of the Compliance Committee in the list of</li> </ul>



Title	Section	Provision	PEM Board-Approved Proposed Amendment (2020)	Proposed Amendment (2022) <sup>1</sup>	Rationale
			xxx	<u>Compliance Committee</u> xxx	committees for which a nomination may be made for
Committee Member's Undertaking –  Undertaking for Independent Members	APPENDIX B	In accepting my role as a member of the _____ 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:  xxx	In accepting my role as a member of the _____ 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:  xxx  <u>(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.</u>	In accepting my role as a member of the _____ 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:  xxx  <u>(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.</u>	<ul style="list-style-type: none"> <li>The Manual currently does not have a Section 4.03. In this regard, the grounds for disqualification under Section 4.2 are suggested to be applied.</li> <li>To reflect the appropriate parties tasked to evaluate the performance of WESM Governance Committees.</li> <li>Reflect that this Market Manual refers solely to WESM Governance Committees</li> <li>Enhancement and re-numbering for consistency with the format of Market Manuals</li> </ul>