

## ANNEX B

### THE PRESIDENT'S REPORT

Chairman Noel Aboboto, our colleagues from the PEM Board of Directors, PEMC members, guests, ladies and gentlemen, good afternoon.

I am deeply honored to lead an organization that upholds commitment, professionalism and excellence; appreciates opportunities for collaboration among its stakeholders with different perspectives, interests and backgrounds; and values partnership to enable continued growth in the power industry and catalyze market policy breakthroughs.

The last semester witnessed how the Philippine Electricity Market Corporation consolidated and strengthened its human capital, charted the organization's strategic directions and commenced its journey to reach new heights in contributing to national development and realizing its mandates in the power sector.

We continued to make significant process on the priorities that we spearhead, including:

**Ensuring market readiness for the Enhanced WESM Design.** The Philippine Electricity Market Audit Committee (PAC) with the assistance of the Sapere Research Group began undertaking a market readiness assessment to include a three-month parallel operations of the Market Operator's new systems and interfaces with the National Grid Corporation of the Philippines' System Operator (NGCP-SO), Metering Services Providers (MSPs), and Market Participants for the implementation of the enhanced WESM Design for Luzon & Visayas, and the start of the Wholesale Electricity Spot Market in Mindanao.

**Sustaining exceptional market operations.** PEMC continued monitoring the IEMOP's performance as the Market Operator through the timely submission of Market Operations Performance Standards (MOPS) Report. Preliminary works have been also completed to align the MOPS to the implementation of the New Market Management System (NMMS) and we intend to rollout these new set of measures once we receive the Go Signal from the DOE and the ERC for the Enhanced WESM design.

**Establishment of the Renewable Energy Market (RE Market).** PEMC submitted to the Department of Energy the updated RE Market Rules incorporating the inputs gathered during the public consultations. With the engagement by the United Nations Development Programme (UNDP) of the vendor that will develop the Philippine RE Market System (PREMS), PEMC organized the Project's inception, and already completed the development and testing of the PREMS Release 1 Components. Release 2 modules are underway along with the installation of the hardware considering the targeted Go Live of the PREMS this August 2019.

**Promoting a Culture of Compliance.** PEMC organized the WESM Compliance Officer Accreditation Program which was launched during the first ever WCO Summit held on January 24 this year. Preparatory works have been conducted to enable the execution of Cooperation Agreements by PEMC with the Philippine Competition Commission (PCC), DOE, and Energy Regulatory Commission (ERC). The Cooperation Agreements targeted to be signed within the year will provide for (1) the process for data exchange and reporting structures that will be observed, and the (2) areas of collaboration and the delineation of regulatory and policy functions for the power sector. These efforts will be duplicated such that protocols and the code of conduct will be concretized among the NGCP-SO, MSPs, and Market Participants.

**Achieving organizational development and excellence.** Throughout the past 6 months, the organization pulled off the conduct of team strengthening activities, charted PEMC's new Vision, Mission and Core Values, and culminated the Strategic Planning for the next three years. The organization's new identity was also concretized in the audio-visual presentation that was launched last year.

The past semester was marked by these notable achievements. I look forward that the enthusiasm and commitment of PEMC's Management and staff will ignite greater involvement among the market participants and our partners in government to make the market work and foster greater competition and efficiency in the power industry.

We are People Energized by Mission and Commitment.

We are PEMC! Thank you.