



Republic of the Philippines
DEPARTMENT OF ENERGY

DEPARTMENT CIRCULAR NO. DC 2010-07-0009

q/s

**ENJOINING ALL ELECTRIC INDUSTRY STAKEHOLDERS IN THE VISAYAS GRID
TO REGISTER AND PARTICIPATE IN THE VISAYAS WESM
TRIAL OPERATION PROGRAM (TOP)**

WHEREAS, the Department of Energy (the "DOE") is mandated under Section 30 of Republic Act No. 9136, otherwise known as the "Electric Power Industry Reform Act of 2001" or "EPIRA", to establish the Wholesale Electricity Spot Market (WESM) that would facilitate a transparent, competitive and reliable market for electricity, and, jointly with the electric power industry participants, to organize the autonomous group market operator and formulate the detailed rules for the WESM;

WHEREAS, the Philippine Electricity Market Corporation (the "PEMC"), a non-stock, non-profit corporation with membership composed of an equitable representation of electricity industry participants and currently chaired by the Secretary of Energy, is the autonomous group market operator (the "AGMO") as well as governing arm of the WESM. PEMC, as the AGMO, is responsible for the registration of participants and members of the WESM, pursuant to the requirements of Section 30 of the EPIRA and in accordance with the WESM Rules;

WHEREAS, the DOE declared the launch of the commercial operations of the WESM for energy in the Luzon Grid on June 23, 2006 through Department Circular 2006-06-0008 "Declaring the Launching of the Wholesale Electricity Spot Market (WESM) in the Luzon Grid and the Terms and Conditions for the Commencement of the Full Commercial Operations of the WESM";

WHEREAS, PEMC launched the Trial Operations Program for Visayas as early as October 2005; likewise, PEMC has conducted actual implementation of the dispatch schedule in the Market Management System (the "MMS") through the Live Dispatch Operation from January 14 to 24, 2008 to enable Visayas market participants real-time trading exposure and end-to-end testing of all interfaces to the MMS with Supervisory Control And Data Acquisition (SCADA) and Energy Management System (EMS), including WESM procedures and protocols;

WHEREAS, the DOE, jointly with the PEMC Market Operator, conducted a series of Visayas WESM Stakeholders' readiness meetings with Visayas-based generators, distribution utilities, and electric cooperatives, and with NGCP (System Operator, and Metering Services Group), in Cebu City, last March 10 to 12 and June 18, 2010 where they determined Visayas stakeholders' issues and concerns on their compliance with Visayas WESM readiness program.

WHEREAS, during the last June 18, 2010 stakeholders' meeting, the DOE has set June 30, 2010 as the official starting date of Visayas WESM Stakeholders' registration with PEMC Market Operator;

NOW, THEREFORE, premises considered, the DOE hereby enjoins all electricity industry stakeholders in the Visayas grid to register and to participate in the WESM and to fully comply in the preparation of their respective facilities for the commercial launch of the Visayas WESM, and further declares as follows -

SECTION 1. Scope and Application. This Circular shall apply to all Visayas grid electric power industry stakeholders such as the generation companies, distribution companies, bulk consumers, transmission service providers, and metering service providers.

SECTION 2. Registration of All Electric Industry Participants. All Visayas electric industry participants are enjoined to register and to participate in the Trial Operation Program (TOP) for the Visayas WESM. Applications for registration are to be submitted to the PEMC at its offices either at (1) 9th Floor Robinsons Equitable Tower, ADB Avenue, Ortigas Center, Pasig City; (2) PEMC Visayas Office, 6th Floor Skyrise Building, IT Park, Lahug Cebu City. Application forms and relevant information may be obtained from PEMC or downloaded from the WESM Information Website at <https://www.wesm.ph>.

SECTION 3. Responsibilities. Pursuant to their respective mandates and functions under the EPIRA and its Implementing Rules and Regulations, the WESM Rules and other relevant laws and issuances, PEMC, NGCP, NEA, and Transco are enjoined to extend their full support and cooperation to ensure full registration and compliance of all Visayas WESM stakeholders; and to prepare the necessary conditions to successfully integrate the Visayas grid with Luzon WESM.

SECTION 4. Reportorial Requirements. For purposes of monitoring compliance with the directives under this Circular, the PEMC, NGCP, NEA, and other relevant agencies shall be required to regularly submit to DOE reports on the progress and status of their preparations and readiness

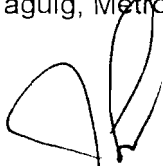
SECTION 5. Supervision by the DOE. The DOE shall oversee the registration and compliance of Visayas stakeholders; and shall undertake appropriate actions as provided for in the EPIRA, its Implementing Rules and Regulations, and the WESM Rules relative to the successful integration of the Visayas grid with Luzon WESM.

SECTION 6. No Amendment or Repeal of Existing Laws. Nothing in this Circular shall be construed as to amend, supplant, or repeal any of the mechanisms or institutions already existing or responsibilities already allocated and provided for under any existing law, rule or contract.

SECTION 7. Effectivity and Publication. This Circular shall be effective immediately upon its publication in two (2) newspapers of general circulation. The PEMC is hereby directed to publish this Circular in the Market Information website.

This Circular shall remain in effect until otherwise revoked.

Taguig, Metro Manila, 30 JUNE 2010



Jose C. Ibazeta
Acting Secretary
Department of Energy

