



Republic of the Philippines
DEPARTMENT OF ENERGY
(Kagawaran ng Enerhiya)

DEPARTMENT CIRCULAR NO. DC2024-01-0002

**ADOPTING FURTHER AMENDMENTS TO THE WHOLESALE ELECTRICITY
SPOT MARKET (WESM) MANUAL ON DISPUTE RESOLUTION REGARDING
DISPUTES UNDER THE RETAIL RULES**

WHEREAS, Sections 30 and 37(f) of Republic Act (RA) No. 9136 or the Electric Power Industry Reform Act (EPIRA) provide that the Department of Energy (DOE), jointly with the electric power industry participants, shall establish the WESM and formulate the detailed rules governing the operations thereof;

WHEREAS, on 28 June 2002, the DOE, with the endorsement of the electric power industry participants, promulgated the WESM Rules through Department Circular (DC) No. DC2002-06-003;

WHEREAS, any changes, amendments, and modifications to the WESM Rules, including its Market Manuals, shall be undertaken in accordance with the provisions of Chapter 8 thereof;

WHEREAS, on 20 June 2022, the DOE promulgated DC No. DC2022-06-0021 which amended the WESM Manual on Dispute Resolution pertaining to the modes of arbitration for disputes under the Retail Rules, among others;

WHEREAS, on 31 July 2023, the PEM Board, in compliance with Chapter 8 of the WESM Rules, submitted to the DOE its proposed amendments to the WESM Manual on Dispute Resolution with regard to limiting the scope of disputes to that of the Retail Rules;

WHEREAS, the DOE, cognizant that the intent of the proposed amendment is consistent with the objectives of the EPIRA and the WESM, drafted a circular to solicit comments and recommendations from interested parties, posted the same on the DOE website on 07 August 2023 and conducted public consultations as follows:

Leg	Date	Venue
Luzon	23 August 2023	Taguig City
Visayas	06 September 2023	Cebu City
Mindanao	31 August 2023	General Santos City

NOW, THEREFORE, after careful review of the proposed amendments and the comments received on the same, the DOE, pursuant to its authority under the EPIRA and the WESM Rules, hereby adopts, issues, and promulgates the following amendments to the WESM Manual on Dispute Resolution:

Section 1. Amendments to the WESM Manual on Dispute Resolution. The following provisions of the WESM Manual on Dispute Resolution are hereby amended to read as:

SECTION 2 DEFINITIONS, INTERPRETATION AND CONSTRUCTION

2.1 Definitions

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- (kk) Retail Rules refer to the rules promulgated by the Department of Energy governing the integration of retail competition in the operations and governance processes of the WESM, and the management of the transactions of the Suppliers and Contestable Customers in the WESM, and the operations of the Central Registration Body as defined in relevant DOE issuances.
- (ll) Rules denote the WESM Rules.
- (mm) Rules Change Committee refers to xxx
- (nn) WESM-Accredited Arbitrator, WESM-Accredited Mediator and WESM-Accredited ADR Support Service Center have the meaning ascribed to them, respectively, in Section 6 of this Manual.
- (oo) WESM Dispute means xxx
- (pp) WESM Objectives refers to xxx
- (qq) WESM Member means xxx
- (rr) WESM Participant means xxx

xxx xxx xxx

SECTION 7 GENERAL PROCEDURAL PROVISIONS

xxx xxx xxx

7.3 Disputes Between Supplier and Customer under the Retail Rules

7.3.1 Unless the parties agree otherwise, the resolution of the following illustrative cases involving disputes may be subject to the Final Offer Arbitration Supplementary Rules set forth in Annex H:

- (i) The commercial aspect of a Retail Supply Contract that involves fees for its early / pre-termination, which does not affect public interest;
- (ii) The commercial aspect of a Retail Supply Contract involving price, but which does not affect public interest; and
- (iii) The commercial aspect of a Retail Supply Contract involving

its period, within the contemplation of the Retail Rules, which
does not affect public interest.

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Section 2. Repealing Clause. The provisions of other circulars, orders, issuances, rules, and regulations which are inconsistent with the provisions of this Circular, are hereby repealed, amended, modified, or superseded accordingly.

Section 3. Separability Clause. If, for any reason, any section or provision of this Circular is declared unconstitutional or invalid, such parts not affected shall remain valid and subsisting.

Section 4. Effectivity. This Circular shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation. A copy of this Circular shall be filed with the University of the Philippines Law Center – Office of the National Administrative Register.

Issued this JAN 12 2024 at the DOE, Energy Center, Rizal Drive, Bonifacio Global City, Taguig City, Metro Manila.


RAPHAEL P.M. LOTILLA
Secretary

