

PUBLIC

WESM Manual

Constitution of the WESM Governance and Board Committees Issue 3.0

Abstract	This document sets forth the qualifications and disqualification of members of the PEM Board Committees and the process of their selection and appointment.
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TABLE OF CONTENTS

Section	Description	Page
RECITALS	3	
Article I.	DEFINITION OF TERMS	5
Article II.	FORMATION OF THE COMMITTEES.....	8
Article III.	VACANCY, NOMINATION, SELECTION AND APPOINTMENT OF WESM GOVERNANCE COMMITTEE MEMBERS	10
Article IV.	QUALIFICATIONS AND DISQUALIFICATIONS OF WESM GOVERNANCE AND BOARD COMMITTEE MEMBERS	12
Article V.	PEM AUDIT COMMITTEE	13
Article VI.	MARKET SURVEILLANCE COMMITTEE	16
Article VII.	RULES CHANGE COMMITTEE	19
Article VIII.	TECHNICAL COMMITTEE	22
Article IX.	DISPUTE RESOLUTION GROUP	24
Article X.	STANDARDS OF CONDUCT FOR MEMBERS OF THE COMMITTEES 27	
Article XI.	LIMITATIONS OF LIABILITIES AND INDEMNIFICATION.....	28
Article XII.	AMENDMENTS.....	29
Article XIII.	SEPARABILITY CLAUSE	29
Article XIV.	PUBLICATION AND EFFECTIVITY	29
APPENDIX A –	NOMINATION FORM	30
APPENDIX B –	COMMITTEE MEMBER’S UNDERTAKING	32

RECITALS

WHEREAS, Republic Act No. 9136, otherwise known as the "Electric Power Industry Reform Act of 2001" (the "Act" or "EPIRA"), which became effective on 26 June 2001, provides for the framework for the restructuring of the electric power industry;

WHEREAS, the Department of Energy (the "DOE") is mandated under Section 30 of the EPIRA to establish the Wholesale Electricity Spot Market (WESM) which shall provide the mechanism for identifying and setting the price of actual variations from the quantities transacted under contracts between sellers and purchasers of electricity;

WHEREAS, on 18 November 2003, the Philippine Electricity Market Corporation was incorporated and thereafter, its Board of Directors (the "PEM Board") was constituted with equitable representation from electric power industry participants, to manage, govern and administer the Wholesale Electricity Spot Market ("WESM");

WHEREAS, the WESM rules promulgated by the DOE and adopted by the electric power industry participants to govern the WESM and the By-Laws of PEMC define the obligations, duties and functions of the PEM Board.

WHEREAS, Clause 1.4.1.4 of the WESM Rules further provide that the PEM Board may delegate any of its functions, obligations and powers to a committee or other entity if in its judgment, it is reasonable to do so;

WHEREAS, Clause 1.4.6 of the WESM Rules further provides that the PEM Board shall form working groups and appoint qualified personnel who shall act as the following:

- (a) The PEM Auditor to conduct audits of the operations of the spot market and of the Market Operator;
- (b) A Market Surveillance Committee to monitor and report on activities in the spot market;
- (c) A Technical Committee to monitor and review technical matters under and in relation to the WESM Rules, the Grid Code and Distribution Code;
- (d) A Rules Change Committee to assist the PEM Board and the Department of Energy in relation to the revision and amendment of the WESM Rules; and
- (e) A Dispute Resolution Administrator to facilitate the mediation of dispute between the parties to reach a resolution within a specified period of time.



WHEREAS, in 2002 the Department of Energy issued Department Circular No. 2002-07-010 creating the Technical Working Group of the Wholesale Electricity Spot Market (TWG-WESM) to ensure a smooth transition from promulgation of the WESM Rules to actual commercial operation of the spot market;

WHEREAS, sometime in 2004, the WESM-TWG formulated a guideline to govern the constitution of the PEM Board Committees now called "Guidelines Governing the Constitution of the PEM Board Committees Issue 1.0" and approved by the PEM Board through Resolution No. 2004-14;

WHEREAS, considering the progress of the WESM since it commenced commercial operation in 2006 and the development in the governance of the Philippine Electricity Market Corporation, the existing guidelines need improvement to respond to the growing needs of the Market and to harmonize its provisions with the intention and principles enunciated under the EPIRA and WESM Rules;

NOW THEREFORE, in consideration of the foregoing, PEM Board hereby approves the Guidelines Governing the Constitution of the PEM Board Committees, as amended.

Article I. DEFINITION OF TERMS

Section 1.02 The following terms and expressions shall have the meanings set forth below:

- (a) **“Act”** or **“EPIRA”** refers to Republic Act No. 9136, otherwise known as the “Electric Power Industry Reform Act of 2001.”
- (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.
- (c) **“Dispute Resolution Administrator”** or **“DRA”** refers to the Chairperson of the Dispute Resolution Group tasked to facilitate the mediation of the dispute between the parties to reach resolution in accordance with the dispute resolution process.
- (d) **“Dispute Resolution Group”** or **“DRG”** refers to one of the PEM Committees, chaired by the DRA and composed of a pool of at least seven (7) persons, from which the members of the Dispute Resolution Panel shall be chosen.
- (e) **“Dispute Resolution Panel”** or **“DRP”** refers to a group of three (3) persons selected by the DRA from among the members of the DRG in accordance with the Clause 7.3.5.1 of the WESM Rules and who are assigned to handle particular case or cases subject of dispute.
- (f) **“Distribution Code”** or the **“Philippine Distribution Code”** refers to the set of rules, requirements, procedures and standards promulgated by the ERC governing distribution utilities and users in the operation, maintenance and development of their distribution systems.
- (g) **“Department of Energy”** or **“DOE”** is a government agency created pursuant to Republic Act No. 7638 with functions as expanded by the EPIRA.
- (h) **“Energy Regulatory Commission”** or **“ERC”** is an independent quasi-judicial regulatory body created pursuant to the EPIRA.
- (i) **“Government”** refers to the Government of the Republic of the Philippines.
- (j) **“Grid Code”** or the **“Philippine Grid Code”** refers to the set of rules, requirements, procedures, and standards promulgated by the ERC to ensure the safe, reliable, secured and efficient operation, maintenance and development of the high voltage backbone transmission systems and their related facilities.

- (k) **“Grid Management Committee”** or **“GMC”** refers to the committee created under the Philippine Grid Code for the purpose of monitoring the operation, maintenance and development of the transmission system in the Philippines.
- (l) **“Guidelines”** refer to this document otherwise called: “Guidelines Governing the Constitution of the PEM Board Committees.”
- (m) **“Market Information Website”** refers to the facility established by the Market Operator on the electronic communication system on which it may publish information which is then available to and may be accessed by WESM Members.
- (n) **“Market Manuals”** refers to the manuals of procedure or operating manuals formulated by the Committees and promulgated by the PEM Board.
- (o) **“Market Surveillance Committee”** or **“MSC”** refers to one of the WESM Governance Committees tasked to monitor and report on activities in the spot market in accordance with the WESM Rules.
- (p) **“PEM Auditor”** refers to the Chairperson of the PEM Audit Committee tasked to conduct audits of the operation of the spot market and of the Market Operator in accordance with the WESM Rules.
- (q) **“PEM Audit Committee”** or **“PAC”** refers to one of the WESM Governance Committees and headed by the PEM Auditor to perform duties in accordance with the WESM Rules.
- (r) **“PEM Board”** means the Board of Directors of the Philippine Electricity Market Corporation.
- (s) **“WESM Governance Committees”** refers to the working groups created by the PEM Board pursuant to Clause 1.4.6 of the WESM Rules. The WESM Governance Committees are as follows: Dispute Resolution Administrator, Market Surveillance Committee, PEM Audit Committee, Rules Change Committee and Technical Committee.
- (t) **“Board Committees”** refers to working groups created by the PEM Board to perform particular functions as well as to assist the Board in the discharge of its duties. The phrase **“committee members”** may signify to include Committee Members and/or Chairpersons.
- (u) **“Philippine Electricity Market Corporation” (PEMC) OR “Market Operator” (MO)** refers to the Autonomous Group Market Operator (**AGMO**), governed by the PEM Board, which is responsible for the operation of the spot market prior to the establishment of an Independent Market Operator (**IMO**).

- (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.
- (w) “**Person**” refers to a natural person.
- (x) “**Rules Change Committee**” or “**RCC**” refers to one of the WESM Governance Committees to assist the PEM Board and the Department of Energy in relation to the revision and amendment of the WESM Rules and in formulation, revision and amendment of market manuals, procedures and guidelines.
- (y) “**Sector**” refers to the Generation, Distribution, Transmission or Supply Sector.
- (z) “**Technical Committee**” refers to one of the WESM Governance Committees tasked to monitor and review technical matters under and in relation to the WESM Rules, the Grid Code and Distribution Code.
- (aa) “**Wholesale Electricity Spot Market**” or “**WESM**” refers to the Wholesale Electricity Spot Market established by the DOE in accordance with Section 30 of the EPIRA.
- (bb) “**WESM Member**” shall mean a person or an entity that satisfies the requirements for being a member of PEMC and is registered with the Market Operator to participate in the WESM.
- (cc) “**WESM Rules**” refers to the detailed rules that govern the administration and operation of the WESM.

Section 1.03 Independent of Philippine electric power industry. For purposes of these Guidelines, a person is deemed to be independent of the Philippine electric power industry (“Independent”), if such person:

- (a) Is not an director, officer, employee, contractor, agent, manager, or shareholder of a WESM Member;
- (b) Is not a relative of person, within the fourth civil degree of consanguinity or affinity, of a director, officer, manager, shareholder, of a WESM Member;
- (c) Is not an officer, manager, director or shareholder, agent, employee, or contractor of , or is not a person directly or indirectly, through one or more intermediaries controls, is controlled by a company, affiliate or any other entity related to or associated with a WESM Member, where:
 - (i) A related company or body, is a parent, holding company, subsidiary or affiliate of the WESM Member; and

- (ii) An associate is a person who is a director, manager or shareholder of that related company or entity or a relative of such person within the fourth civil degree of affinity or consanguinity;
- (d) Has not been employed as an officer, or other managerial or supervisory position, by any electric power industry participant, or a company or body related to or associated with a WESM Member, within one year prior to the nomination date; and
- (e) Agrees not to be employed by and does not accept employment with any electric power industry participant, or a company or body related to or associated with a WESM Member within one year after the person ceases to be a Director.

Section 1.04 Rules of Construction. Unless the context otherwise requires:

- (a) The Applicable Laws are incorporated herein by reference.
- (b) Words importing the singular include the plural and vice versa.
- (c) Section headings are for convenience only and do not affect the interpretation of these Guidelines and the WESM Rules.
- (d) In the event that any capitalized terms above or any provision in these Guidelines conflict with the WESM Rules, the latter shall govern.
- (e) A rule or provision which defines a term without express reference to EPIRA or the WESM Rules, or to a portion thereof, defines such term for all purposes as used in EPIRA and in the WESM Rules.

Article II. FORMATION OF THE COMMITTEES

Section 2.01 WESM Governance and Board Committees. The PEM Board shall form working groups and appoint qualified personnel who shall act as the following:

- (a) A PEM Audit Committee, headed by the PEM Auditor;
- (b) A Market Surveillance Committee;
- (c) A Technical Committee;
- (d) A Rules Change Committee; and
- (e) A Dispute Resolution Group, headed by the Dispute Resolution Administrator.

- (f) Board Committees as deemed necessary by the Board to assist in the performance of its functions, such as:
- (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.

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.

- (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.

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.

Section 2.02 The WESM Governance 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:

- (a) An atmosphere of transparency and fair competition exists among WESM Members;
- (b) Trading of electricity is facilitated among WESM Members within the spot market;
- (c) Qualified third parties are granted Open Access to the power system in accordance with the EPIRA;
- (d) Prices are governed as far as practicable by commercial and market forces; and
- (e) Efficiency is encouraged.

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.

Section 2.04 DOE and ERC Representation in the Committees. The DOE as the agency primarily responsible to implement the EPIRA and its implementing rules and the WESM Rules shall be represented in all WESM Governance Committees and Board Committees created and to be created for the purpose of facilitating and providing policy support and guidance for the development of the WESM.

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:

- (a) Any additional duties and responsibilities of the Committees;
- (b) Changes in or fix the remuneration to be paid to members of the Committees;
- (c) Any revisions, amendments, supplements or improvement on the provisions relating to or the establishment of ethical standards to be observed by members of the Committees;
- (d) The terms and conditions of the confidentiality agreement to be entered into by members of the Committees;
- (e) The terms and conditions of agreements prohibiting independent members to accept or agree employment or contract services with another party which may conflict with the performance of independent member's obligation as members of the Committees;
- (f) The terms and conditions upon which the Committee may employ services of a consultant or an expert;
- (g) The manner in which the activities of the Committees may be audited.

Article III. VACANCY, NOMINATION, SELECTION AND APPOINTMENT OF WESM GOVERNANCE COMMITTEE MEMBERS

Section 3.01 Vacancy. A position in the Committee is rendered vacant due to any of the following circumstances:

- (a) Expiration of term of office, subject to Section 3.09 below on Hold-over;
- (b) Death;
- (c) Resignation; and

- (d) Removal from office, upon two third (2/3) votes of the Board of Directors constituting a quorum due to:
 - (i) Disqualification or failure to meet the qualification requirements provided herein;
 - (ii) Illness which require recovery for more than 3 months or similar circumstance;
 - (iii) Just and lawful reasons as the PEM Board may determine after notice and hearing and through a resolution, excluding those who abstain voluntarily or are required under the PEMC Charter to abstain; and
 - (iv) Conduct unbecoming of a Member of the Committee in accordance with Article X of these Guidelines.

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) The Board 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 Board Selection Committee or to any person designated by the Board Selection Committee.
- (d) All nominations shall be in a form (Appendix [A]) and manner as may be prescribed by the Board Selection Committee.
- (e) Nomination for sectoral representatives shall be coming from the respective sectors to be represented in the committee in accordance with these Guidelines or applicable rules.
- (f) A WESM Member represented in, or nominated to, more than one Sector shall choose only one Sector to represent and must accordingly withdraw or decline the nomination in the other Sector/s.
- (g) Any WESM Member may nominate qualified individuals as Independent members in any of the Committees requiring an independent member.

Section 3.03 Selection.

- (a) The Board 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.
- (b) In the determination of the list of candidates, the Board 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.

Section 3.04 Publication of Nominees. Upon screening of the nominees submitted within allowable time as prescribed by the Board Selection Committee, the latter shall cause the publication of the list of the qualified nominees in the market information web site.

Section 3.05 Interview of the Nominees. After the publication of the shortlisted nominees and upon verification and resolution of opposition thereof, if any, the Board Selection Committee may opt to conduct further assessment of the shortlisted nominees through personal interview or any other means as the Board Selection Committee may consider appropriate. The Board Selection Committee shall rate them in accordance with a scoring system provided for this purpose.

Section 3.06 Appointment of PEM Committee Members and Chairpersons. The PEM Board appoints the members and the Chairpersons of the WESM Governance Committees from among the list of qualified nominees, screened and duly endorsed by the Board Selection Committee.

Section 3.07 Declaration/Undertaking. No person shall commence or continue to assume office as a member of any of the Committees unless a duly accomplished form of undertaking (Appendix [B]) has been submitted.

Section 3.08 Periodic evaluation of qualification and performance. The Board shall require a regular assessment and report of the performance and qualifications of all members of the Committees consistent with Section 10.03 of these Guidelines.

Section 3.09 Hold Over Provision. Any member of the committee whose appointment has expired shall continue to hold office, with all the rights and obligation attached to the position, until his/ her replacement has been duly appointed.

Article IV. QUALIFICATIONS AND DISQUALIFICATIONS OF WESM GOVERNANCE AND BOARD COMMITTEE MEMBERS



Section 4.01 Common Qualifications. In addition to the specific requirements provided under this Guidelines and pertinent laws and rules, each member of a WESM Governance Committee shall possess the following qualifications:

- (a) Must be a natural person;
- (b) Must be of legal age;
- (c) Must be of sound mind; and
- (d) Must be at least a college graduate, or with at least ten (10) years of relevant experience in their field of expertise.

Section 4.02 Disqualification. The following persons are disqualified from being appointed as a member of any of the WESM Governance Committees and Board Committees:

- (a) Those convicted by final judgment, local or overseas, for an offense involving moral turpitude or fraudulent act or transgression;
- (b) Those convicted by final judgment to have intentionally violated, or willfully aided, abetted, counseled, caused or induced another to commit a violation of any of the Applicable Laws.
- (c) Those judicially declared to be insolvent;
- (d) Those convicted by final judgment for an offense punishable by imprisonment for a period exceeding six (6) years and more.
- (e) Those with permanent residence in a foreign country or those who have acquired the right to reside abroad and continue to avail of the same right after appointment in the Committee.
- (f) Those removed from office, private or government, as a result of an administrative case; or
- (g) Other grounds as may be duly determined by the Board or pertinent rules and regulations

Article V. PEM AUDIT COMMITTEE

Section 5.01 Composition. The PEM Audit Committee 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.

Section 5.02 Appointment. The PEM Board appoints the members and the PEM Auditor as the chairperson of the Audit Committee.

The PEM Board shall endeavor to appoint persons with expertise necessary to ensure that combined expertise of the members of the PEM Audit Committee covers the areas of their concerned functions and responsibilities.

Section 5.03 Qualifications. In addition to the qualification requirements under other provisions of these Guidelines and pertinent laws and rules:

- (a) Members of the PEM Audit Committee must have sufficient relevant experience in one or more of the following fields:
 - (i) Power industry;
 - (ii) Economics;
 - (iii) Risk management;
 - (iv) Information technology and information systems; and/or
 - (v) In such other fields as may be relevant to and required in the performance of the responsibilities of the PEM Audit Committee.

- (b) Members of the PEM Audit Committee must be independent of the Philippine electric power industry.

Section 5.04 Responsibilities. The PEM Audit Committee, headed by the PEM Auditor, conducts audit of the operation of the *spot market* and of the *Market Operator* in accordance with the following:

- (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 PEM Audit Committee;
- (b) Test and check any enhancements or updates in the market infrastructure provided by the Market Operator for use by WESM Members;
- (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;
- (d) Recommend changes to the WESM Rules where the PEM Audit Committee detects deficiencies as a consequence of an audit, review, test, check or other form of review;

- (e) Review the security arrangements and requirement of metering installations annually in consultation with the Market Operator and Metering Service Providers;
- (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
- (g) The PEM Audit Committee shall perform all other functions and duties referred to in the WESM Rules and in accordance with applicable laws and rules.

Section 5.05 Term of Office. The term of office of each member of the PEM Audit Committee 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 PEM Audit 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.

Section 5.06 Vacancy. Any vacancy shall be filled by appointment of the PEM Board and the appointee shall serve only the unexpired portion thereof.

Section 5.07 Conduct of Business, Voting and Procedures. The PEM Audit Committee may promulgate its respective 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 Charter and these Guidelines.

- (a) The presence of majority of all members shall constitute a quorum for the transaction of business.
- (b) The majority vote of all members is required to constitute a valid committee decision. Thus, 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.
- (c) In case of a vacancy, the remaining members shall continue to perform its functions and duties provided that there is a quorum.
- (d) In case of absence of the Chairperson for a particular meeting, any member may temporarily act as Chairperson.
- (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.

- (f) In the event of a deadlock, the Chairperson of the Committee shall be entitled to a second or casting vote.

Article VI. MARKET SURVEILLANCE COMMITTEE

Section 6.01 Composition. The Market Surveillance Committee shall consist of five (5) members.

Section 6.02 Appointment. The PEM Board appoints the members and the Chairperson of the Market Surveillance Committee.

The PEM Board shall endeavor to appoint persons with expertise necessary to ensure that combined expertise of the members of the Market Surveillance Committee covers the areas of their concerned functions and responsibilities.

Section 6.03 Qualifications. In addition to the qualification requirements under other provisions of these Guidelines and pertinent laws and rules:

- (a) A member of the Market Surveillance Committee must have sufficient relevant experience in one or more of the following areas:
- (i) Competitive wholesale electricity markets or financial or commodity markets;
 - (ii) Philippine law and regulations pertaining to electricity;
 - (iii) Competition laws and policies;
 - (iv) Power system operations;
 - (v) Economics; and/or
 - (vi) In such other fields as may be relevant to and required in the performance of the responsibilities of the Market Surveillance Committee.
- (b) Members of the Market Surveillance Committee must be Independent of the Philippine electric power industry and of the Government.

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:

- (a) Monitor activities conducted by the WESM Members in the Spot Market.
- (b) Prepare periodic reports, which outline:
- (i) Activities of WESM Members in the Spot Market;

- (ii) Apparent or suspected incidents of anti-competitive behavior by any WESM Member;
 - (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.
- (c) Assist the PEM Board or the Enforcement and Compliance Officer to investigate and gather evidence of:
 - (i) Unusual or suspicious behavior or activities of WESM Members in the Spot Market;
 - (ii) Suspected or alleged breaches of the WESM Rules by WESM Members; and
 - (iii) Suspected or alleged anti-competitive behavior.
- (d) From time to time, if the Market Surveillance Committee in its discretion deems necessary or appropriate, propose amendments to the WESM Rules with a view to:
 - (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.
- (e) Assist the Rules Change Committee in relation to its assessment of proposals to amend the WESM Rules relative to market behavior concerns.
- (f) Review any decision by the Market Operator to impose or relax constraints under clause 3.5.13.1 or 3.5.13.2 of the WESM Rules at the request of the Market Operator, the System Operator or any WESM Member.
- (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:
 - (i) The adequacy of the relevant provisions of the WESM Rules in relation to the event or events which occurred;
 - (ii) The appropriateness of actions taken by the System Operator and the Market Operator in relation to the event or events which occurred;
 - (iii) The costs incurred by WESM Members as a consequence of responding to the event or events; and
 - (iv) Any finding of potential, fault of any WESM Participant including a preliminary recommendation for further evaluation by the PEM Audit Committee.

- (h) Design and promulgate the penalty levels and the appropriate range of penalties, for breaches and non-compliance of WESM Rules, anti-competitive behavior, and abuse of market power.
- (i) Investigate, upon request of Enforcement and Compliance Officer, 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.
- (j) The Market Surveillance Committee shall perform all other functions and duties referred to in the WESM Rules and in accordance with applicable laws and rules.

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.

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. The Market Surveillance 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.

- (a) The presence of majority of all members shall constitute a quorum for the transaction of business.
- (b) The vote of the majority of those present constituting a quorum shall be sufficient for a valid committee decision.
- (c) In case of a vacancy, the remaining members shall continue to perform its functions and duties provided that there is a quorum.
- (d) In case of absence of the Chairperson for a particular meeting, a temporary Chairperson shall be elected by the majority of the members present constituting a quorum.
- (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.

- (f) In the event of a deadlock, the Chairperson of the Committee shall be entitled to a second or casting vote.

Article VII. RULES CHANGE COMMITTEE

Section 7.01 Composition. The Rules Change Committee shall consist of 15 members:

- (a) One (1) member representing the Market Operator;
- (b) One (1) member representing the Transmission Sector;
- (c) Four (4) members representing the Distribution Utilities, two (2) of whom coming from the Electric Cooperatives, and the other two (2) from private utilities registered under the WESM Rules;
- (d) One (1) member representing the Supply Sector registered under the WESM Rules;
- (e) Four (4) members representing the Generation Sector registered under the WESM Rules; and
- (f) Four (4) members representing the Independent Sector.

Section 7.02 Appointment. The PEM Board appoints the members and the Chairperson of the RCC.

The Chairperson of the Rules Change Committee shall be chosen from among the Independent Members of the Committee.

The PEM Board shall endeavor to appoint persons with expertise necessary to ensure that combined expertise of the members of the Rules Change Committee covers the areas of their concerned functions and responsibilities.

Section 7.03 Qualifications. In addition to the qualification requirements under other provisions of these Guidelines and pertinent laws and rules:

- (a) A member of the Rules Change Committee must:
 - (i) have a level of technical or commercial knowledge and expertise in the operation of power systems and electricity markets;

- (ii) not be a Director of the PEM Board;
 - (iii) be a director, officer or an employee of a registered WESM Member, in the Sector, or the Market Operator, the System Operator which such member represents;
 - (iv) not have any of the disqualifications under Section 4.02 of these Guidelines.
- (b) In no event shall a company, firm or business have more than one representative in the Rules Change Committee within the same Sector and neither shall a company, firm or business which is already represented in the Committee in one Sector be represented by an individual in any other Sector regardless of whether the company, firm or business has interests or is a member in more than one Sector.
- (c) The PEM Board shall from time to time appoint a Chairperson of the Rules Change Committee from among the Independent members of the Committee.

Section 7.04 Responsibilities. The Rules Change Committee, tasked to assist the PEM Board and the DOE in relation to the revision and amendment of the WESM Rules in accordance with chapter 8 of the WESM Rules, and the formulation, revision and amendment of market manuals, procedures and guidelines, shall have the following specific duties and functions:

- (a) Assess whether the rule modification proposals are:
- (i) Consistent with the WESM objectives;
 - (ii) Feasible;
 - (iii) Not unreasonably costly to implement;
 - (iv) A more appropriate or better means of achieving the criteria set out in paragraph (i) to (iii) above, where the effect of the change to the WESM Rules will be to replace an existing rule; and
 - (v) Made in accordance with Chapter 8 of the WESM Rules.
- (b) Submit proposed rules change to the PEM Board for approval.
- (c) Develop and make available to WESM Members a periodic report required under the WESM Rules.
- (d) The Rules Change Committee member shall be responsible to give information or accordingly keep their respective sectors properly updated on any or all matters involving rules change or WESM/Market concerns.

- (e) The Rules Change Committee shall perform all other functions and duties referred to in the WESM Rules and in accordance with applicable laws and rules.

Section 7.05 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.

Service by a member for less than one year shall not be considered one term.

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.

Section 7.07 Conduct of Business, Voting and Procedure. The Rules Change 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.

- (a) The presence of majority of all members shall constitute a quorum for the transaction of business.
- (b) The vote of the majority of those present constituting a quorum shall be sufficient for a valid committee decision.
- (c) In case of a vacancy, the remaining members shall continue to perform its functions and duties provided that there is a quorum.
- (d) In case of absence of the Chairperson for a particular meeting, a temporary Chairperson shall be elected by the majority of the members present constituting a quorum.
- (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.
- (f) In the event of a deadlock, the Chairperson of the Committee shall be entitled to a second or casting vote.

- (g) Rules Change Committee Members cannot vote by proxy at Rules Change Committee meetings.

Section 7.08 Additional Ground for Termination. In addition to grounds for termination of services and/or disqualification set forth under other provisions of these Guidelines, and pertinent laws and rules, the PEM Board may remove a member of the Rules Change Committee at any time if the person ceases to represent the Sector to which he has been appointed.

Section 7.09 Nomination.

- (a) All nominees to the Rules Change Committee shall be submitted to the Board 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 Board 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.
- (c) Any WESM Member may nominate qualified individual/s as Independent Member/s of the Rules Change Committee.

Article VIII. TECHNICAL COMMITTEE

Section 8.01 Composition. The Technical Committee shall consist of at least five (5) members with a representative from the following:

- (a) one (1) member from the Grid Management Committee;
- (b) one (1) member from the Distribution Management Committee;
- (c) one (1) member from the System Operator; and
- (d) two (2) independent members.

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.

Section 8.02 Appointment. The PEM Board appoints the members and the Chairperson of the Technical Committee.

The PEM Board shall endeavor to appoint persons with expertise necessary to ensure that combined expertise of the members of the Technical Committee covers the areas of their concerned functions and responsibilities.

The Chairperson of the Technical Committee shall be chosen from among the independent members of the Committee.

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.

Section 8.04 Responsibilities. The Technical Committee, tasked to monitor and review technical matters under and in relation to the WESM Rules, the Grid Code and Distribution Code, shall have the following specific duties and functions:

- (a) Monitor technical matters relating to the operation of the Spot Market;
- (b) Provide a report on any matter of a technical nature relating to any WESM Member which in the reasonable opinion of the Technical Committee, causes:
 - (i) That WESM Member to be unable to comply with the WESM Rules; or
 - (ii) unintended or distortionary effects to the operation of the WESM;
- (c) Assist the PEM Board by providing expertise in relation to:
 - (i) Information technology;
 - (ii) Metering technology and metering data; and
 - (iii) Any other matter of a technical nature relating to the Spot Market;
- (d) Propose amendments to the WESM Rules in relation to technical matters, with a view to:
 - (i) Improving the efficiency and the effectiveness of the operation of the Spot Market; and
 - (ii) Improving or enhancing the prospects for the achievement of the WESM objectives;
- (e) Assist the RCC in relation to its assessment of proposals of a technical nature to amend the WESM Rules.

- (f) The Technical Committee shall perform all other functions and duties referred to in the WESM Rules and in accordance with applicable laws and rules.

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.

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.

Section 8.07 Conduct of Business, Voting and Procedures.

- (a) The presence of majority of all members shall constitute a quorum for the transaction of business.
- (b) The majority of those present constituting a quorum shall be sufficient for a valid committee decision.
- (c) In case of a vacancy, the remaining members shall continue to perform its functions and duties provided that there is a quorum.
- (d) In case of absence of the Chairperson for a particular meeting, a temporary Chairperson shall be elected by the majority of the members present constituting a quorum.
- (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.

Article IX. DISPUTE RESOLUTION GROUP

Section 9.01 Composition. The Dispute Resolution Group shall consist of seven (7) members and a Dispute Resolution Administrator as chairperson.

Section 9.02 Appointment. The PEM Board appoints the members and the chairperson of the Dispute Resolution Group.

Consistent with the WESM Rules, the Dispute Resolution Administrator, together with the Selection Committee, shall select the members of the Dispute Resolution Group

following the qualifications provided below. Thereafter, the Dispute Resolution Administrator shall present the shortlisted nominees for the appointment of the PEM Board.

The PEM Board shall endeavor to appoint persons with expertise necessary to ensure that combined expertise of the members of the Dispute Resolution Group covers the areas of their concerned functions and responsibilities.

Section 9.03 Qualifications. In addition to the qualification requirements under other provisions of these Guidelines and pertinent laws and rules, Dispute Resolution Group and Dispute Resolution Administrator must:

- (a) Have a detailed understanding and experience of alternative dispute resolution practice and procedures which do not involve litigation;
- (b) Have the capacity to determine the most appropriate alternative dispute resolution procedures in particular circumstances;
- (c) Have an understanding of the electricity industry;
- (d) Have knowledge and sufficient relevant experience in one or more of the following fields:
 - (i) Operations of wholesale electricity markets;
 - (ii) Economics;
 - (iii) Energy or money market trading or any other commodity market trading;
 - (iv) Power system operations;
 - (v) Philippine law and regulations pertaining to electricity; and/or
 - (vi) In such other fields as may be relevant to and required in the performance of the responsibilities of the Dispute Resolution Group
- (e) Be an Independent of Philippine electric power industry.
- (f) At least one member must belong to the law profession with a minimum of five years of experience.

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 registration as WESM Member has been unsuccessful as to:

1. The application or interpretation of the WESM Rules; or
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
3. 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
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 Dispute Resolution Group shall perform all other functions and duties referred to in the WESM Rules and in accordance with applicable laws and rules.

Section 9.05 Term of Office. The term of office of the members of the Dispute Resolution Group shall be appointed for three (3) years. Members of the Dispute Resolution Group 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 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 Dispute Resolution Administrator.

Service of a member for not more than one year shall not be considered one term.

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.

Section 9.07 Conduct of Business, Voting and Procedure. The DRA may promulgate its own rules of procedure in accordance with the purpose for which each WESM Governance Committee is created and always consistent with the EPIRA, the WESM Rules, and these Guidelines. The dispute resolution process shall be guided by the applicable rules and processes based on the Dispute Resolution Market Manual.

Article X. STANDARDS OF CONDUCT FOR MEMBERS OF THE COMMITTEES

Section 10.01 To enable the WESM Governance Committees to discharge their collective responsibilities under the WESM Rules, each member shall:

- (a) Maintain independence and objectivity;
- (b) Conduct himself honestly, fairly, ethically and with integrity;
- (c) Contribute views based on his unique skills and experience;
- (d) Bring to the attention of the PEM Board the perspective of the Sector (if any) that he represents, while continuing to act in the best interest of the WESM;
- (e) Comply and act consistently with the statutory and contractual obligations of the PEMC;
- (f) Perform in a fair and non-discriminatory manner, all functions and duties specifically delegated to him under the WESM Rules, any Market Manuals or by the PEM Board;
- (g) Avoid actual or potential conflicts of interest by refraining from participating in any activity that could:
 - (i) Promote activities in conflict with, or otherwise damaging to, the objectives of the WESM;
 - (ii) Utilize WESM resources, property or know-how, in any outside venture;
 - (iii) Take advantage of his position as member of a WESM Governance Committee in the conduct of an outside business;

- (iv) Conduct business transactions with PEMC or the Market Operator in a manner which might be considered against the best interests of WESM.
- (h) Promptly declare to the PEM Board or to the appropriate Committee to which he belongs, any conflicts of interest, potential or actual, and abstain from discussion and voting on any related matter.
- (i) Report to the PEM Board any suspected illegal or unethical behavior of a WESM Member; and
- (j) Keep all confidential information, including proprietary and market sensitive information, confidential and not to use such information for personal gain or benefit.

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.

Section 10.03 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.

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 WESM Governance Committee members and subject to the availability of fund.

Article XI. LIMITATIONS OF LIABILITIES AND INDEMNIFICATION

Section 11.01 The Committees and their members shall not be liable for any loss or damage suffered or incurred by a WESM Member or any other person as a consequence of any act or omission of those persons in the performance of their functions unless the Committee or its members, as the case may be, acted with malice, manifest partiality, bad faith, gross incompetence or gross negligence.

Section 11.02 Except for liability arising out of conduct involving malice, manifest partiality, bad faith, gross incompetence or gross negligence, if any of the Committees or the members thereof is made liable to pay any amount for loss or damage suffered or incurred by any person or entity as a consequence of any of its acts or omissions in the performance of its duties, the PEMC shall indemnify said persons through an indemnification process to be developed by the PEM Board.



Article XII. AMENDMENTS

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.

Article XIII. SEPARABILITY CLAUSE

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 contrary to law, the parts not so declared shall remain in full force and effect.


Article XIV. PUBLICATION AND EFFECTIVITY

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.

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.



APPENDIX A – NOMINATION FORM

 PHILIPPINE ELECTRICITY MARKET CORPORATION <small>18th Floor, Robinsons Equitable Tower, ADB Avenue cor. Poveda St., Ortigas Center 1605, Pasig City Telephone No. : 6318734; Fax No. : 3967704</small>			
NOMINATION TO THE WHOLESALE ELECTRICITY SPOT MARKET GOVERNANCE COMMITTEES			
<small>Information provided in this form shall be used for initial evaluation purposes. The Philippine Electricity Market Corporation will require other supporting documents to be submitted during the selection process.</small>			2 X 2 PHOTO
Nomination to: <input type="checkbox"/> DISPUTE RESOLUTION GROUP <input type="checkbox"/> RULES CHANGE COMMITTEE <input type="checkbox"/> AUDIT COMMITTEE <input type="checkbox"/> TECHNICAL COMMITTEE <input type="checkbox"/> MARKET SURVEILLANCE COMMITTEE			
PERSONAL INFORMATION OF THE NOMINEE			
FULL NAME			
PRESENT EMPLOYER			
POSITION/DESIGNATION			
COMPLETE BUSINESS ADDRESS			
COMPLETE RESIDENTIAL ADDRESS			
NATIONALITY		TELEPHONE NO.	
DATE OF BIRTH		MOBILE PHONE NO.	
PLACE OF BIRTH		E-MAIL ADDRESS	
SEX		PASSPORT NO.	
CIVIL STATUS		TIN	
INFORMATION OF THE NOMINATING ENTITY OR PERSON <small>(Please leave this section blank if self-nominating)</small>			
NOMINATING ENTITY OR PERSON			
COMPLETE BUSINESS ADDRESS			
AUTHORIZED REPRESENTATIVE OF NOMINATING ENTITY			
TELEPHONE NO.			
MOBILE PHONE NO.			
E-MAIL ADDRESS			
EDUCATIONAL ATTAINMENT			
LEVEL	NAME OF SCHOOL <small>(Write in Full)</small>	DEGREE / COURSE	YEAR GRADUATED
COLLEGE			
GRADUATE STUDIES			
PROFESSIONAL BACKGROUND AND RELEVANT EXPERIENCE <small>(Please use an additional sheet if necessary)</small>			YEARS OF EXPERIENCE

TRAININGS AND SEMINARS <i>(Please use an additional sheet if necessary)</i>			
TITLE OF TRAININGS AND SEMINARS ATTENDED	INCLUSIVE DATES	NO. OF HOURS (Days)	CONDUCTED/SPONSORED BY
Please explain briefly why the nominee is an ideal candidate for membership in the WESM Governance Committees.			
<i>(Check appropriate boxes <input checked="" type="checkbox"/>)</i>			
a. Is the nominee an employee of, or in any way connected to, the Government?		<input type="checkbox"/> YES <input type="checkbox"/> NO if YES, give details _____	
b. Is the nominee an employee, contractor, agent, manager, director, or shareholder of a Philippine electric power industry participant?		<input type="checkbox"/> YES <input type="checkbox"/> NO if YES, give details _____	
c. Is the nominee a relative, within the fourth civil degree of consanguinity or affinity, of an employee, contractor, agent, manager, director, or shareholder of a Philippine electric power industry participant?		<input type="checkbox"/> YES <input type="checkbox"/> NO if YES, give details _____	
d. Is the nominee an employee, contractor, agent, manager, director, or shareholder of a company, affiliate or any other entity related to or associated with a Philippine electric power industry participant, where: A related company or body, is a parent or holding company of the Philippine electric power industry participant, a subsidiary or affiliate of the Philippine electric power industry participant or a subsidiary of a holding company of the Philippine electric power industry participant? An associate is a person who is a director, manager or shareholder of that related company or entity or a relative of such a person?		<input type="checkbox"/> YES <input type="checkbox"/> NO if YES, give details _____ <input type="checkbox"/> YES <input type="checkbox"/> NO if YES, give details _____	
e. Has the nominee ever been employed by a Philippine electric power industry participant, or a company or body related to or associated with a Philippine electric power industry participant within one year prior to the nomination date?		<input type="checkbox"/> YES <input type="checkbox"/> NO if YES, give details _____	
f. Has the nominee ever been convicted by final judgment of an offense involving moral turpitude or fraudulent act or transgression?		<input type="checkbox"/> YES <input type="checkbox"/> NO if YES, give details _____	
g. Has the nominee ever been found with finality by a court of competent jurisdiction or a quasi-judicial body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of, any Applicable Laws?		<input type="checkbox"/> YES <input type="checkbox"/> NO if YES, give details _____	
h. Has the nominee ever been judicially declared to be insolvent?		<input type="checkbox"/> YES <input type="checkbox"/> NO if YES, give details _____	
i. Has the nominee ever been found guilty by final judgment by a foreign court or equivalent regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct listed in Items (f), (g) and (h) above?		<input type="checkbox"/> YES <input type="checkbox"/> NO if YES, give details _____	
j. Has the nominee ever been convicted by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years?		<input type="checkbox"/> YES <input type="checkbox"/> NO if YES, give details _____	
<i>(For purposes of this nomination, an electric power industry participant refers to any person or entity engaged in the generation, transmission, distribution or supply of electricity)</i>			
I certify that I have read and understood all the questions set forth in this nomination and the answers I have furnished on this form are true and correct to the best of my knowledge and belief. I understand that the Philippine Electricity Market Corporation has to verify/validate the information stated herein. I trust that this information shall remain confidential.			
NOMINEE'S SIGNATURE :		DATE :	
COM. TAX CERT. NO. :			
DATE OF ISSUE :			
PLACE OF ISSUE :			
_____ SIGNATURE OF AUTHORIZED REPRESENTATIVE OF NOMINATING ENTITY			



APPENDIX B – COMMITTEE MEMBER’S UNDERTAKING

REPUBLIC OF THE PHILIPPINES)

COMMITTEE MEMBER’S UNDERTAKING¹

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:

1. I agree to serve the PEMC, and shall perform to the best of my ability the duties and functions as member of the Committee, actively promote the WESM objectives of market efficiency, transparency and competition, and safeguard with full trust and confidence any lawful and reasonable directions of the PEM Board.
2. At all times, I shall faithfully comply with all laws, rules or codes of conduct such as, but not limited to, the WESM Rules, the By-Laws of PEMC, WESM Manuals, and the Code of Corporate Governance, as may be amended from time to time and required by any government authority in relation to the business of PEMC or which PEMC shall reasonably determine are necessary for the proper functioning of its business.
3. During my tenure as Committee member, I will not (a) make use of, for personal gain, or (b) divulge to any unauthorized person or entity, any of the confidential information relating to the business of PEMC and its Committees except where such disclosure is required by law or by the proper governmental authority or is allowed in writing by PEMC.
4. I shall endeavor to maintain an excellent record of attendance and shall actively participate in all Committee meetings.
5. I further attest that I understand and possess all of the qualifications and none of the disqualifications of a Committee Member and, in the event, that I cease to possess the qualifications and/or have acquired any of the disqualifications, or at any time, come into any enterprise, activity or transaction that may be in conflict with my Committee membership, I shall be obliged to immediately inform the PEM Board of such circumstance. That such circumstance shall be grounds for termination of my membership to the Committee.

Executed this ____ day of _____ at _____.

(Signature of Affiant)

Name :
Nationality :
Address :

SUBSCRIBED AND SWORN TO before me this ____ day of _____ at _____, affiant exhibiting to me _____ issued on _____ at _____.

REPUBLIC OF THE PHILIPPINES)

¹ Undertaking for Independent Members

COMMITTEE MEMBER'S UNDERTAKING²

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:

1. I agree to serve the PEMC, and shall perform to the best of my ability the duties and functions as member of the Committee, actively promote the WESM objectives of market efficiency, transparency and competition, and safeguard with full trust and confidence any lawful and reasonable directions of the PEM Board.
2. At all times, I shall faithfully comply with all laws, rules or codes of conduct such as, but not limited to, the WESM Rules, the By-Laws of PEMC, WESM Manuals, and the Code of Corporate Governance, as may be amended from time to time and required by any government authority in relation to the business of PEMC or which PEMC shall reasonably determine are necessary for the proper functioning of its business.
3. During my tenure as Committee member, I will not (a) make use of, for personal gain, or (b) divulge to any unauthorized person or entity, any of the confidential information relating to the business of PEMC and its Committees except where such disclosure is required by law or by the proper governmental authority or is allowed in writing by PEMC.
4. I shall represent my sector in all Committee meetings and duly inform my sector on developments pertaining to rules changes.
5. I shall endeavor to maintain an excellent record of attendance and shall actively participate in all Committee meetings.
6. I further attest that I understand and possess all of the qualifications and none of the disqualifications of a Committee Member and, in the event, that I cease to possess the qualifications and/or have acquired any of the disqualifications, or at any time, come into any enterprise, activity or transaction that may be in conflict with my Committee membership, I shall be obliged to immediately inform the PEM Board of such circumstance. That such circumstance shall be grounds for termination of my membership to the Committee.

Executed this ____ day of _____ at _____.

(Signature of Affiant)

Name :
Nationality :
Address :

SUBSCRIBED AND SWORN TO before me this ____ day of _____ at _____, affiant exhibiting to me _____ issued on _____ at _____.

² Undertaking for Sectoral Members