



INTRODUCTION TO
WESM
WHOLESALE ELECTRICITY SPOT MARKET

JANUARY 2019
DOE Public Consultation



BACKGROUND ON WESM OPERATIONS

WHOLESALE ELECTRICITY SPOT MARKET



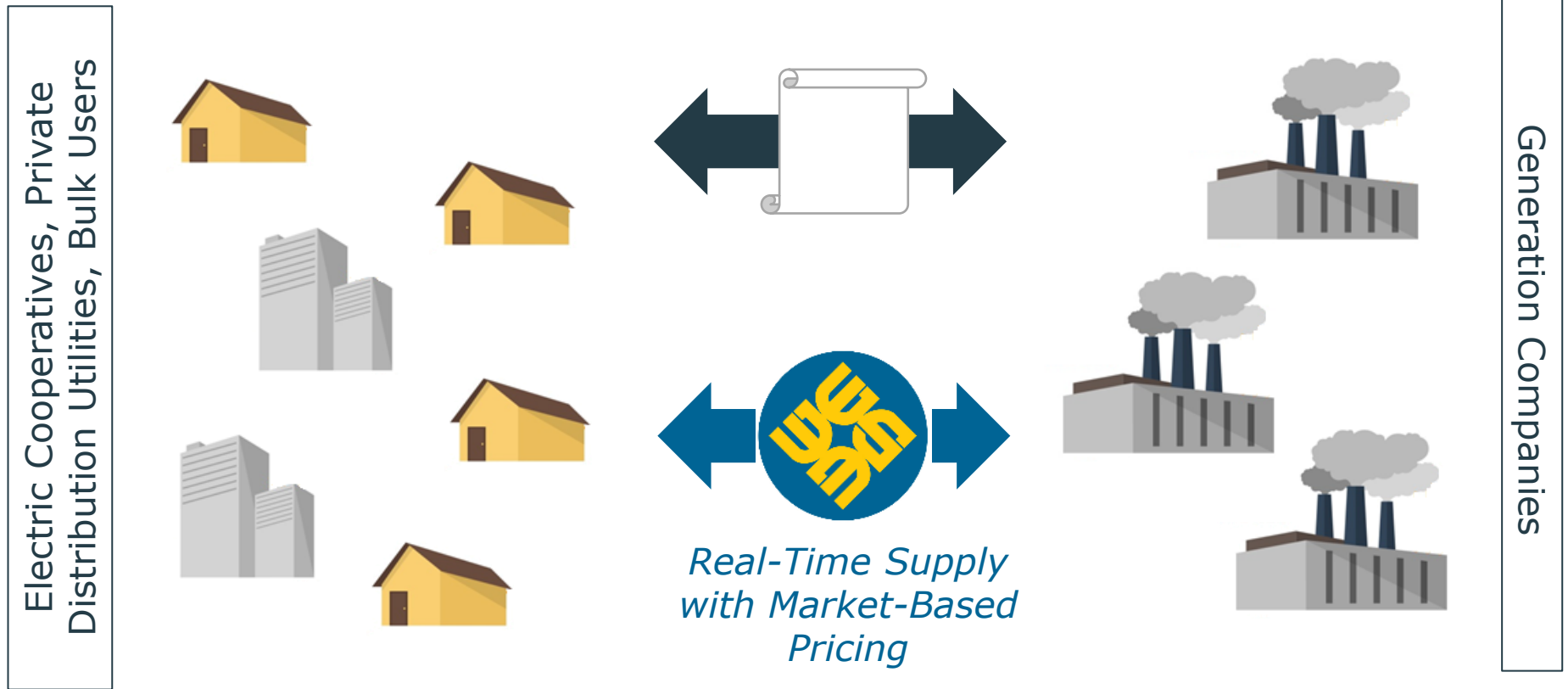
**Wholesale Electricity
Spot Market (WESM)**

Centralized venue for large-scale buyers and sellers of electricity where price is based on the interaction of demand and supply.



Established pursuant to Republic Act 9136 or the Electric Power Industry Reform Act (EPIRA)

WHOLESALE ELECTRICITY SPOT MARKET



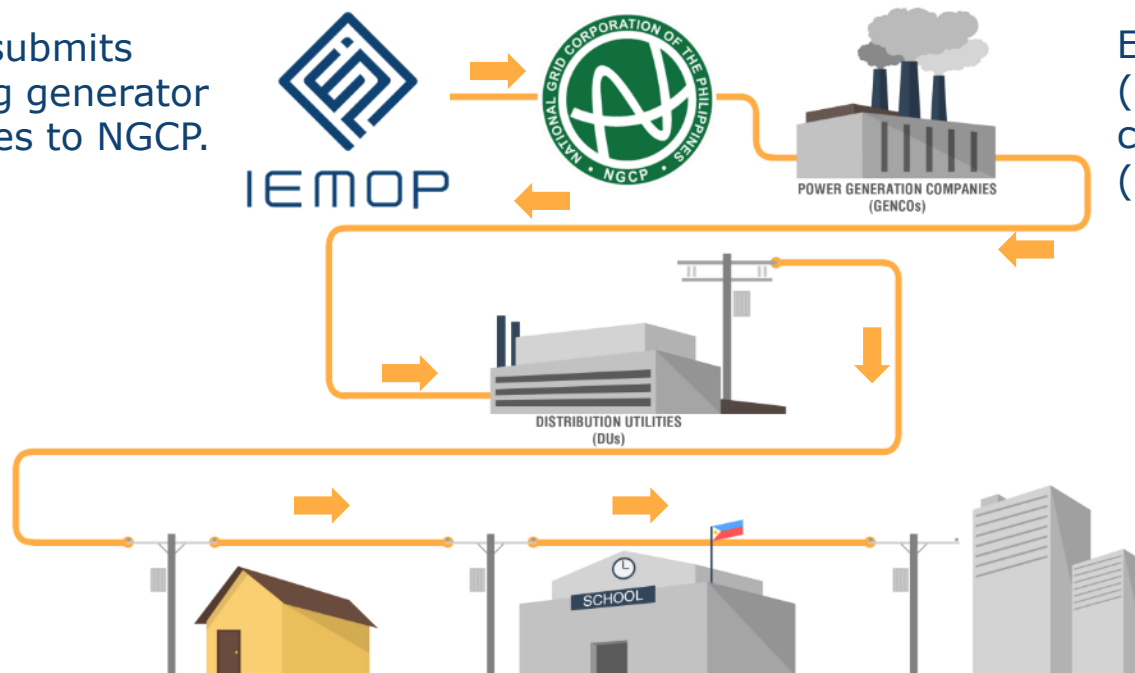
*WESM provides **another option** for supply of electricity for ECs, PDUs, and bulk users. Prices in the WESM are determined through **competition** based on **real-time** offers and demand for electricity.*

DISPATCH IMPLEMENTATION

IEMOP submits resulting generator schedules to NGCP.

NGCP dispatches the generators based on IEMOP's submission.

Electricity is produced (generators) / consumed (customers).



The DUs, participating in the WESM as wholesale customers, distribute electricity to the end-users.

WESM MEMBERS

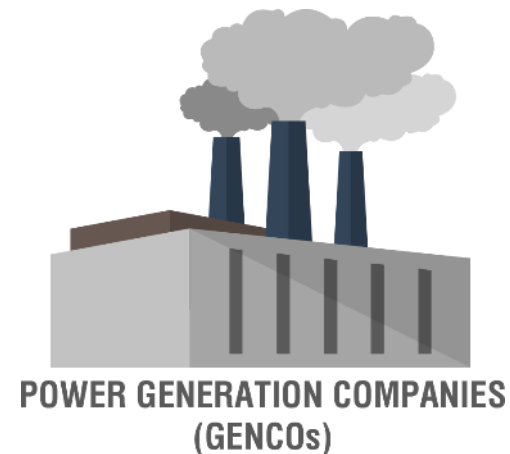
Generation Companies



Authorized by the ERC to operate facilities used in the generation of electricity.

A Generation Company may have facilities that use the following resources:

- Natural gas
- Geothermal
- Hydro
- Coal
- Diesel / Oil
- Biomass
- Wind
- Solar



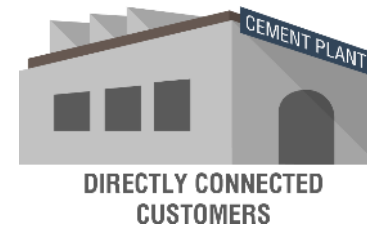
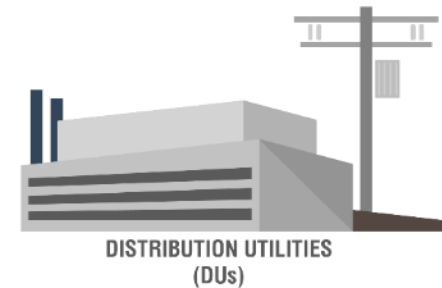
WESM MEMBERS

Customers



Customers in the WESM may be

- Distribution Utilities
- Directly-connected customers (Bulk customers)
- Retail Electricity Suppliers
- or Contestable Customers (End-users).



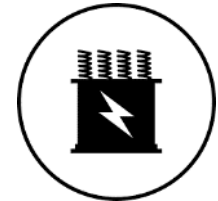
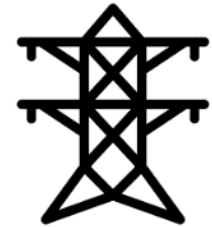
WESM MEMBERS

Service Providers

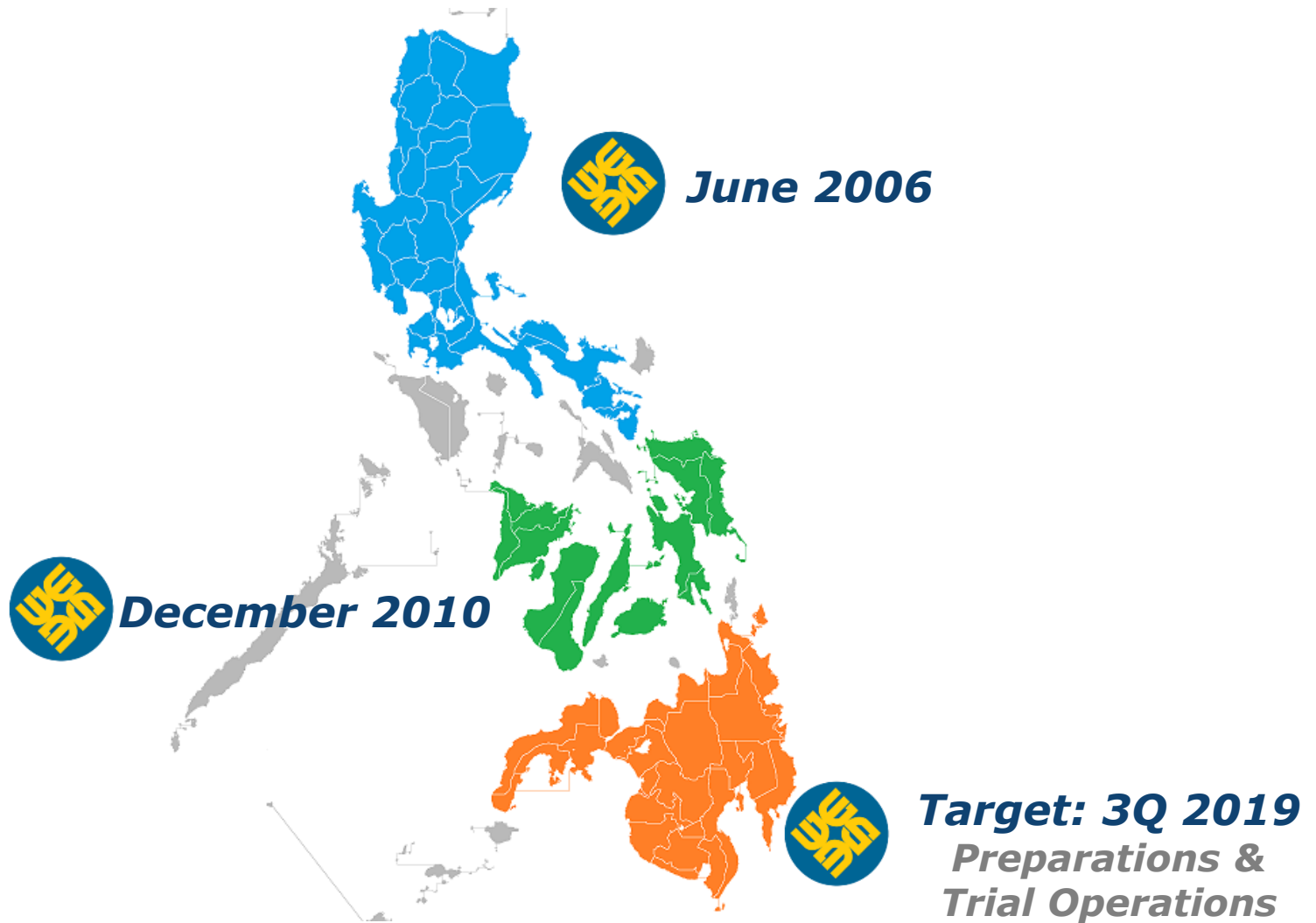


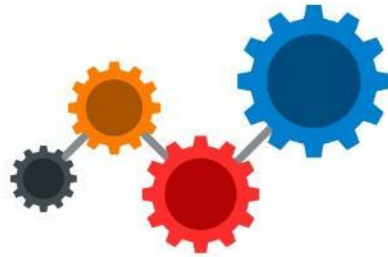
Service Providers in the WESM may be

- Network Service Providers
- Ancillary Services Providers
- Metering Services Providers



COMMERCIAL OPERATIONS





WESM OPERATIONS & GOVERNANCE

WESM FUNCTIONAL STRUCTURE

Oversight Regulation



Department of Energy (DOE)



Energy Regulatory Commission (ERC)



Philippine Competition Commission (PCC)

Governance



Philippine Electricity Market Corp. (PEMC)

Market Operations



Independent Electricity Market Operator of the Philippines, Inc. (IEMOP)

System Operations



National Grid Corporation of the Philippines

Market Participants

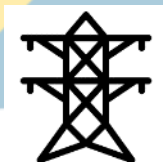


GenCos

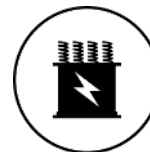


Customers

Services

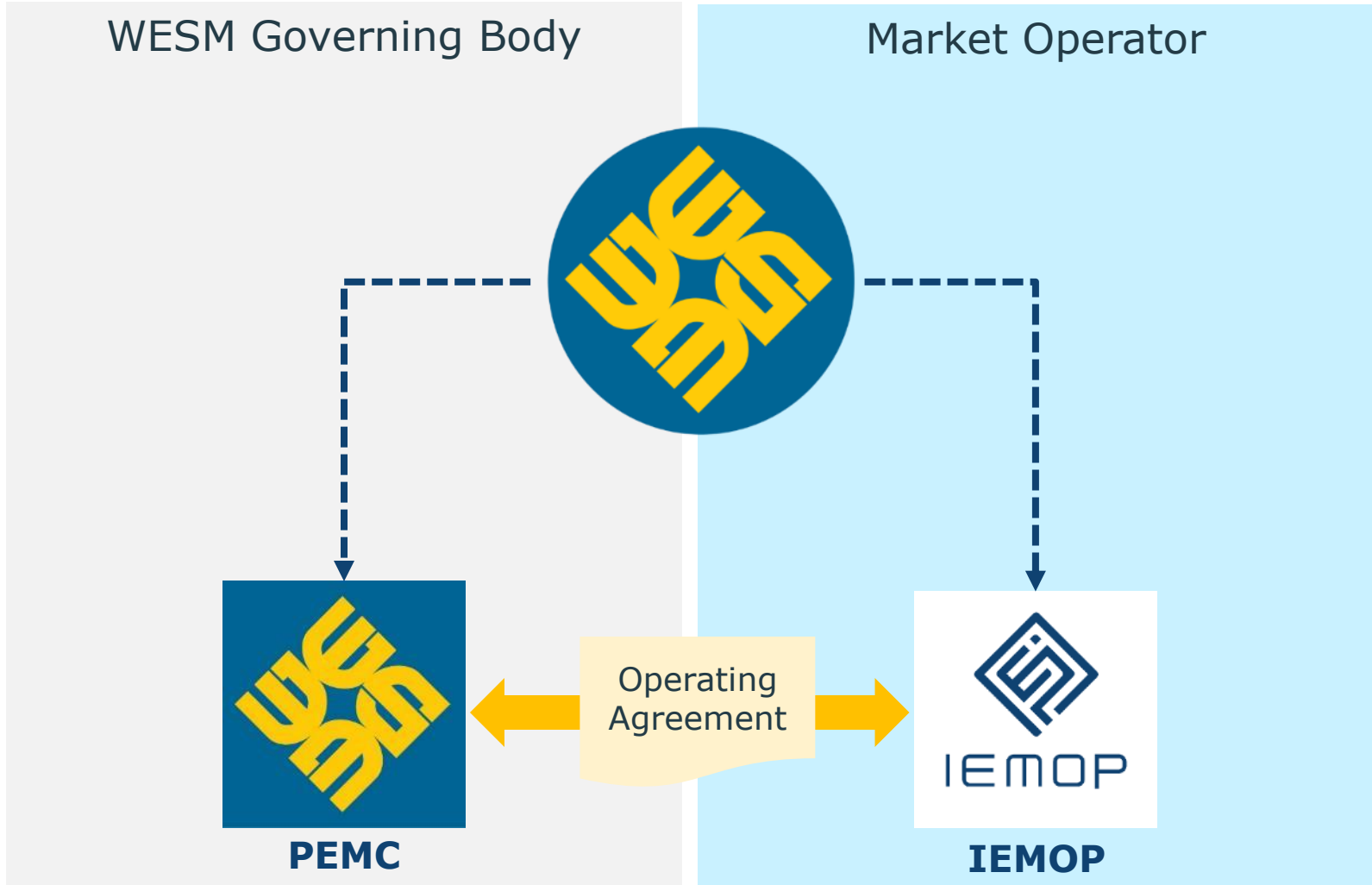


Network Service Providers



Metering Service Providers

MARKET OPERATIONS AND GOVERNANCE



MARKET OPERATIONS AND GOVERNANCE

PEMC



IEMOP



MARKET OPERATIONS AND GOVERNANCE

PEMC



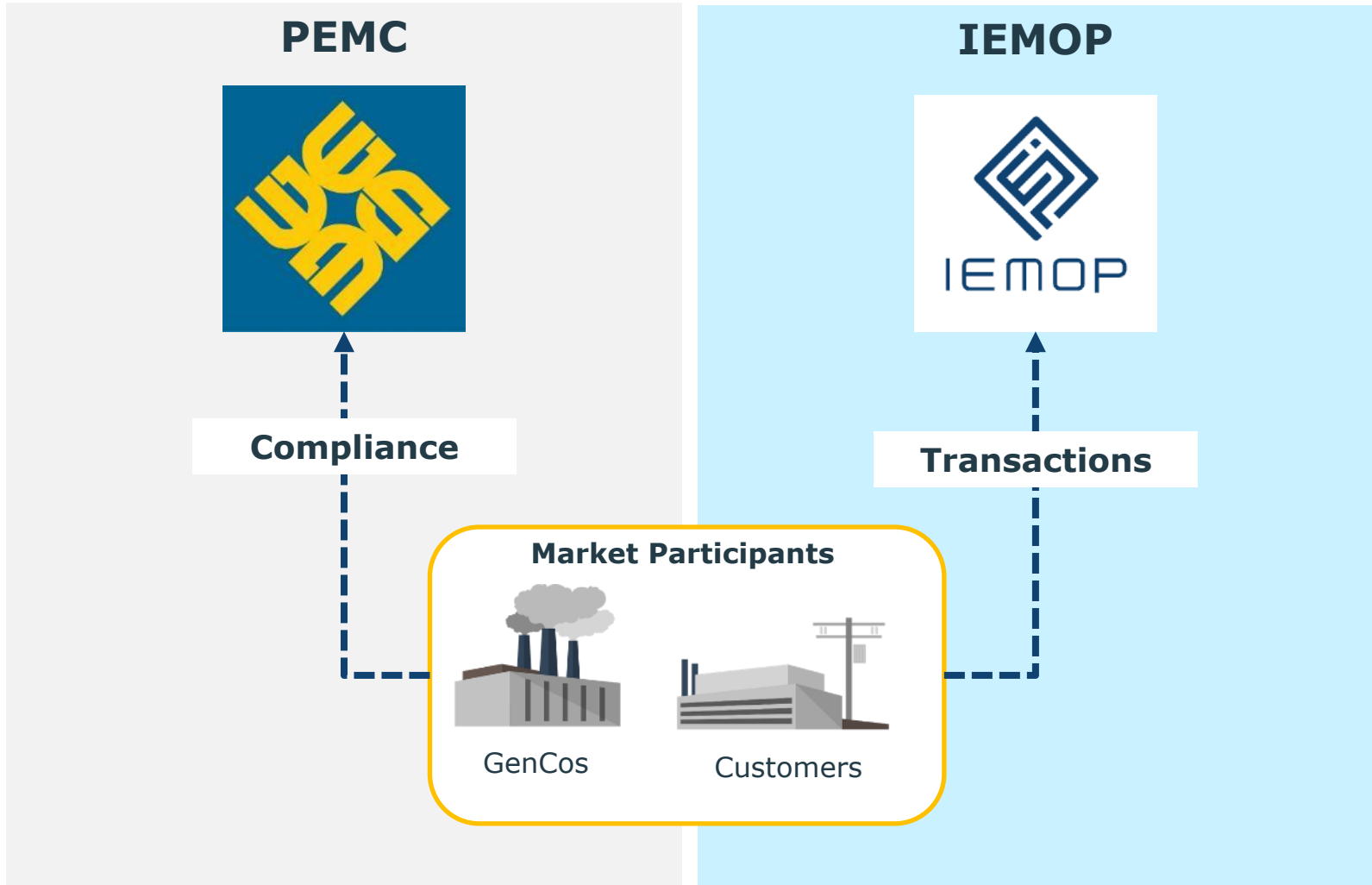
- Market monitoring
- Compliance investigations
- Rules change process
- Market services audit
- Dispute resolution

IEMOP

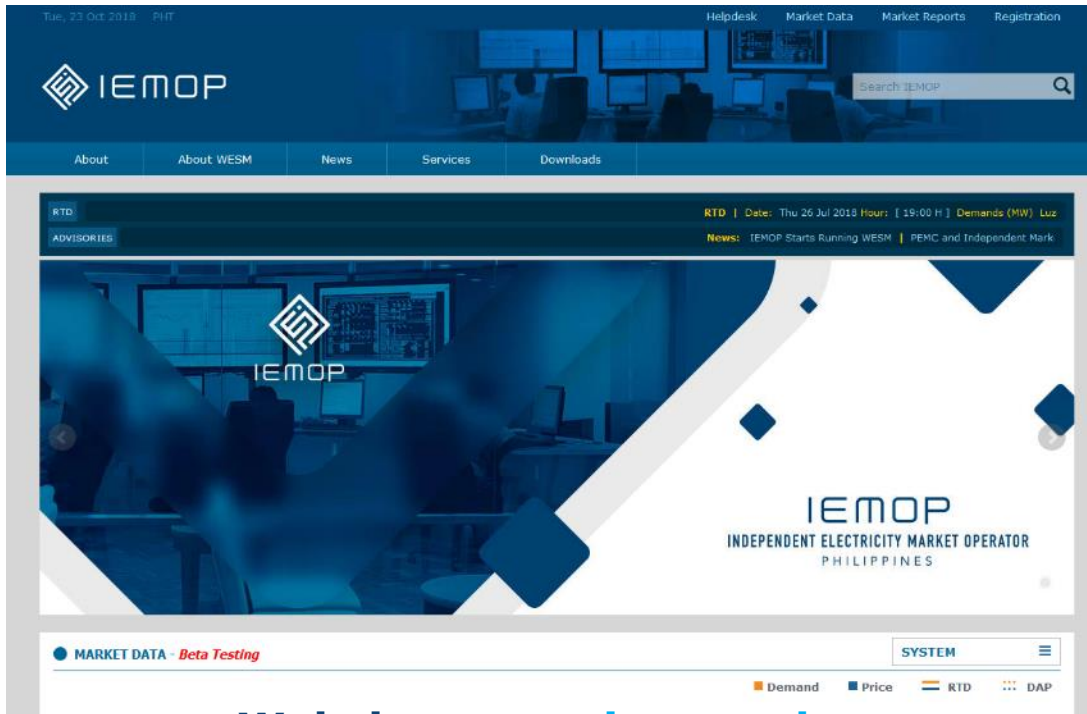


- Registration
- Scheduling
- Pricing
- Settlement
- Payment & Collection

MARKET OPERATIONS AND GOVERNANCE



FOR MORE INFO



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