



JOINT RESOLUTION NO. 4

FURTHER EXTENDING THE INTERIM OFFER PRICE CAP IN THE WHOLESALE ELECTRICITY SPOT MARKET (WESM) TO HARMONIZE WITH THE FINALIZATION OF THE PERMANENT PRE-EMPTIVE MITIGATING MEASURE TO BE APPLIED IN THE WESM

WHEREAS, the WESM Tripartite Committee was created on 02 June 2006, composed of the Department of Energy (DOE), the Energy Regulatory Commission (ERC) and the Philippine Electricity Market Corporation (PEMC) to coordinate efforts for the monitoring of price volatilities and setting of market mitigation or pre-emptive measures to be implemented in the Philippine Wholesale Electricity Spot Market (WESM);

WHEREAS, pursuant to its authority, on 09 June 2006, the WESM Tripartite Committee adopted the implementation of a bid cap, or otherwise referred to as WESM Offer Price Cap of PhP62,000 per megawatt-hour (MWh), equivalent to PhP62.00 per kilowatt-hour (kWh);

WHEREAS, an adjustment to the WESM Offer Price Cap was made last 27 December 2013, setting an interim level of PhP32,000 per MWh for a period of ninety (90) days subject to a conduct of public consultation;

WHEREAS, the effectivity of the PhP32,000 per MWh WESM Offer Price Cap was extended thrice by the WESM Tripartite Committee, through Joint Resolution Nos. 1, 2 and 3 Series 2014, the last of which provided an additional period of ninety days (90) days from the date of its publication, or until 24 October 2014, to provide additional time for the evaluation of the proposals submitted during the conduct of public consultations;

WHEREAS, on 05 August 2014, the Energy Regulatory Commission (ERC) through its ERC Resolution No. 14, Series of 2014, extended the effectivity of the Secondary Price Cap as an interim mitigating measure in the WESM for a period of one hundred twenty (120) days from 10 August 2014 or until the establishment by the ERC of a permanent pre-emptive measure in the WESM, whichever comes earlier; and

WHEREAS, the WESM Tripartite Committee further recognizes that the appropriate level of the WESM Offer Price Cap should complement and be consistent with the permanent pre-emptive measure in the WESM to be issued by the ERC.


NOW, THEREFORE, premises considered, the DOE, the ERC and the PEMC hereby jointly adopt the following:

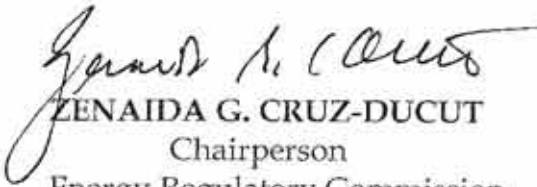
Section 1. Further Extension of the Effectivity of the WESM Offer Price Cap. Pending the determination of a new WESM Offer Price Cap which considers the permanent mitigating measures to be issued by the ERC, the Interim WESM Offer Price Cap of PhP32,000 per MWh set in the WESM Tripartite Committee Joint Resolution No. 2, Series of 2013, is hereby further extended for a period of one hundred and twenty (120) days from 24 October 2014. The new level of WESM Offer Price Cap shall be set in a manner that considers sustainable economic growth in the generation sector which promotes long term efficiency and security of the supply of electric power.

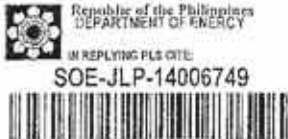
Section 2. Separability Clause. If for any reason, any section or provision of this Joint Resolution is declared unconstitutional or invalid, such parts not affected shall remain in full force and effect.

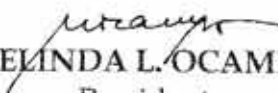
Section 3. Effectivity. This Joint Resolution shall take into effect immediately following its publication in at least two (2) newspapers of general circulation and shall remain in effect until otherwise revoked.

Signed this **OCT 24 2014** at Metro Manila, Philippines.


CARLOS JERICHO L. PETILLA
Secretary
Department of Energy


ZENAIDA G. CRUZ-DUCUT
Chairperson
Energy Regulatory Commission




MELINDA L. OCAMPO
President
Philippine Electricity Market Corporation