

[ERC Resolution No. 12, s. 2015, July 06, 2015]

**RESOLUTION TO DISCONTINUE THE WHOLESALE AGGREGATOR
SCHEME AS EMBODIED IN THE RULES FOR THE REGISTRATION
OF THE WHOLESALE AGGREGATORS**

Adopted: 06 July 2015

Date Filed: 29 September 2015

WHEREAS, Section 30 of Republic Act No. 9136, otherwise known as the "Electric Power industry Reform Act of 2001" (EPIRA) empowers the Energy Regulatory Commission (ERC) to authorize other entities to become eligible as members, either directly or indirectly, of the Wholesale Electricity Spot Market (WESM);

WHEREAS, the Wholesale Electricity Spot Market (WESM) commenced commercial operations on 26 June 2006;

WHEREAS, prior to operations of the WESM, several DUs were unable to meet the technical and financial requirements in the WESM Rules for them to register as members and their non-membership in the WESM effectively limited their supply options;

WHEREAS, recognizing the need to provide supply options for the DUs, specifically small Electric Cooperatives (ECs), the ERC promulgated on 22 May 2006 the Rules for the Registration of the Wholesale Aggregators, as Amended, to facilitate their participation in the WESM;

WHEREAS, on 06 May 2010, the Department of Energy (DOE) issued Department Circular 2010-05-0006 which, among others, required DUs to be WESM Members, either as Direct or Indirect, otherwise they would be disconnected from the grid;

WHEREAS, All Luzon and Visayas on-grid DUs, except Pampanga III Electric Cooperative, Inc. (PELCO III) and Panay Electric Company, Inc. (PECO), are now registered with the WESM either as direct or indirect member, thereby providing an additional option for these DUs to ensure continuous supply of electricity to their respective franchised areas;

WHEREAS, on 26 March 2014, the DOE issued Department Circular 2014-03-0008 adopting PEM Board-approved amendments to the WESM Rules, which include, among others, the reduction of the level of Prudential Requirements (PR) from sixty three (63) days to thirty-five (35) days;

WHEREAS, said policy decision addressed the financial constraints of small ECs thereby removing the necessity of providing support to them in terms of WESM membership;