

**[DOE Department Circular No. DC2014-12-0022,
December 02, 2014]**

**PROMULGATING THE PROTOCOL FOR THE CENTRAL
SCHEDULING AND DISPATCH OF ENERGY AND CONTRACTED
RESERVES IN PREPARATION FOR THE COMMERCIAL OPERATION
OF THE WHOLESALE ELECTRICITY SPOT MARKET (WESM)
RESERVE MARKET**

Adopted: 02 December 2014

Date Filed: 05 January 2015

WHEREAS, Section 37 of Republic Act No. 9136, otherwise known as the "Electric Power Industry Reform Act of 2001" (EPIRA), mandates the Department of Energy (DOE) to among others:

- (a) ensure the reliability, quality, and security of supply of electric power;
- (b) encourage power sector investments in the electricity sector and promote development of indigenous and renewable energy sources and develop policies and procedures, and;
- (c) as appropriate, promote a system of energy development incentives to enable and encourage electric power industry participants to provide adequate capacity to meet demand including, among others, reserve requirements;

WHEREAS, Section 30 of the EPIRA mandates the DOE to establish the Wholesale Electricity Spot Market (WESM), and upon endorsement of electric power industry participants, promulgate the WESM Rules;

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

WHEREAS, Section 10.3.2.3 of the WESM Rules authorized the DOE to declare the commencement of the spot market for ancillary services, when applicable and reasonably feasible;

WHEREAS, on 02 December 2013, the DOE declared the Commercial Launch Date of WESM Reserve Market on 26 March 2014 through Department Circular No. DC2013-12-0027, subject to fulfillment of certain conditions such as Philippine Electricity Market Corporation's (PEMC) certification attesting that all systems and procedures are in place for the operation of the Reserve Market;

WHEREAS, on 14 March 2014, PEMC submitted its report to the DOE stating that the WESM Reserve Market may not commercially operate on 26 March 2014 pending