

Manual 12

4.4.3 Determining Regulation Assignment

The PJM RTO's Regulating Requirement is a function of the day's load forecast, as determined by the PJM dispatcher.

- The PJM on-peak Regulation Requirement is based on the PJM Balancing Area's peak load forecast, as determined prior to the operating day.
- The PJM off-peak Regulation Requirement is based on the PJM Balancing Area's valley load forecast, as determined prior to the operating day.

The regulation requirement will be adjusted in stages to convert to effective MWs as part of the Performance Based Regulation changes. This approach will utilize the RTO wide average performance scores leading up to the transition to set the staged requirements. The regulation requirement at the time of implementation will be 0.78%. As system conditions allow, PJM will make a monthly assessment to lower the regulation requirement to a minimum of 0.70% as part of this transition.

The regulation requirement may be adjusted based on operational analysis and feedback to maintain NERC control standards as PJM deems necessary.

Each LSE is required to provide a share of the PJM Regulating Requirement. An LSE's actual hourly Regulation obligation is determined for the hour, after-the-fact, based on the LSE's total load in the PJM RTO, as follows:

$$\text{LSEs Regulation Obligation} = \left(\frac{\text{LSEs Load Allocation \%} \times}{\text{PJM Assigned Regulation}} \right)$$

An LSE may satisfy its Regulation obligation by any of the following methods:

- Self-Scheduled Resources — An LSE can satisfy its Regulation obligation by self-scheduling Regulation.
- Bilateral Transaction — An LSE can make contractual arrangements with other PJM Members that are able to provide Regulation service.
- PJM Regulation Market Purchases — An LSE can purchase its Regulation obligation from the PJM Regulation Market, i.e., from the excess Regulation capability provided to PJM by Resource owners.

All Regulation offers reported to PJM must provide Regulation that has a quality standard of 75% or greater, as established by verification testing.

PJM Actions:

- Prior to the beginning of each day, PJM dispatcher determines the PJM RTO Regulating Requirement as described above.
- At 2230, PJM provides the following information to the Transmission Owners/Generation Owners for the LSE's, via the PJM ALL-CALL for the PJM RTO Regulation Requirement for the following day

PJM Members Actions:

- Each LSE determines its estimated Regulation Obligation for the operating day based on its own forecast load and the information received via the PJM ALL-CALL.
- Resource owners view the hourly regulation market results via eMKT (available at least a half an hour before the operating hour) as to those resources to which regulation has been

assigned. Resource owners that have self-scheduled Regulation on any of their resources inform the PJM dispatcher when those resources are on line and able to provide the self-scheduled Regulation.

- Once regulation on a resource is self-scheduled by a resource owner, it is no longer eligible to participate as a pool assigned regulating resource for the current operating day.

If purchasing Regulation from another entity, the buyer and seller negotiate the transaction and the buyer submits the transaction through the Regulation Bilateral page of eMKT. The seller must then confirm the transaction via eMKT by 4:00pm the day after the operating day. The rules for these