

RPSTF Implementation Proposal

PJM Interconnection
December 21, 2011

- **KEMA report**
 - Operational study results support the idea that faster regulation can lead to a lower overall regulation requirement.
 - PJM studies based on the operational data show an expected decrease in the total cost of regulation aligning with the new market design and moderate levels of fast-following resources.
 - Full study posted on the RPSTF website.
- **Tariff Changes**
 - The RPSTF proposed tariff language reflects the new bidding, clearing, and settlements structures involved with two-part compensation
 - Both a summary table and a full red-line version are included in the posted materials
 - These changes align with FERC Order 755
- **Next Steps**
 - PJM compliance filing by the April 2012 deadline
 - Manual language changes for Phase I and II