




Regulation Redesign Phase 1 Implementation Update

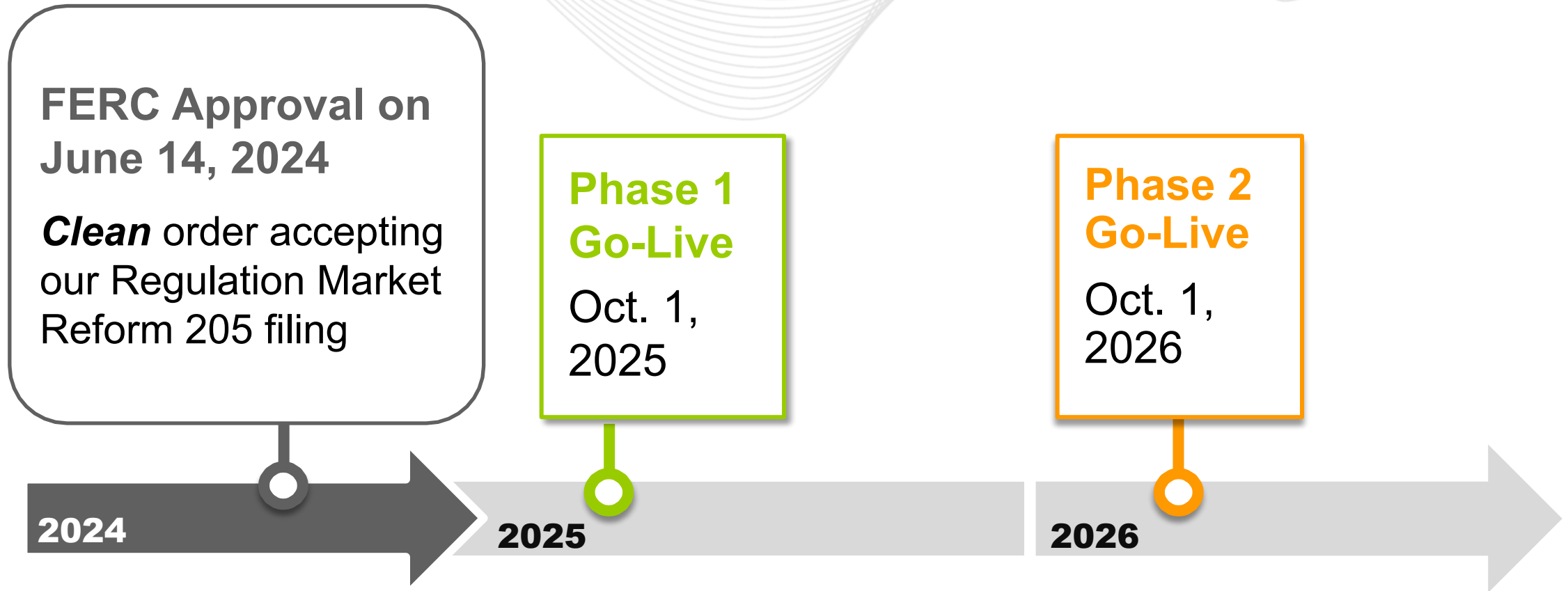
Michael Olaleye

Sr. Lead Engineer, Real-Time Market Operations

Market Implementation Committee

May 7, 2025

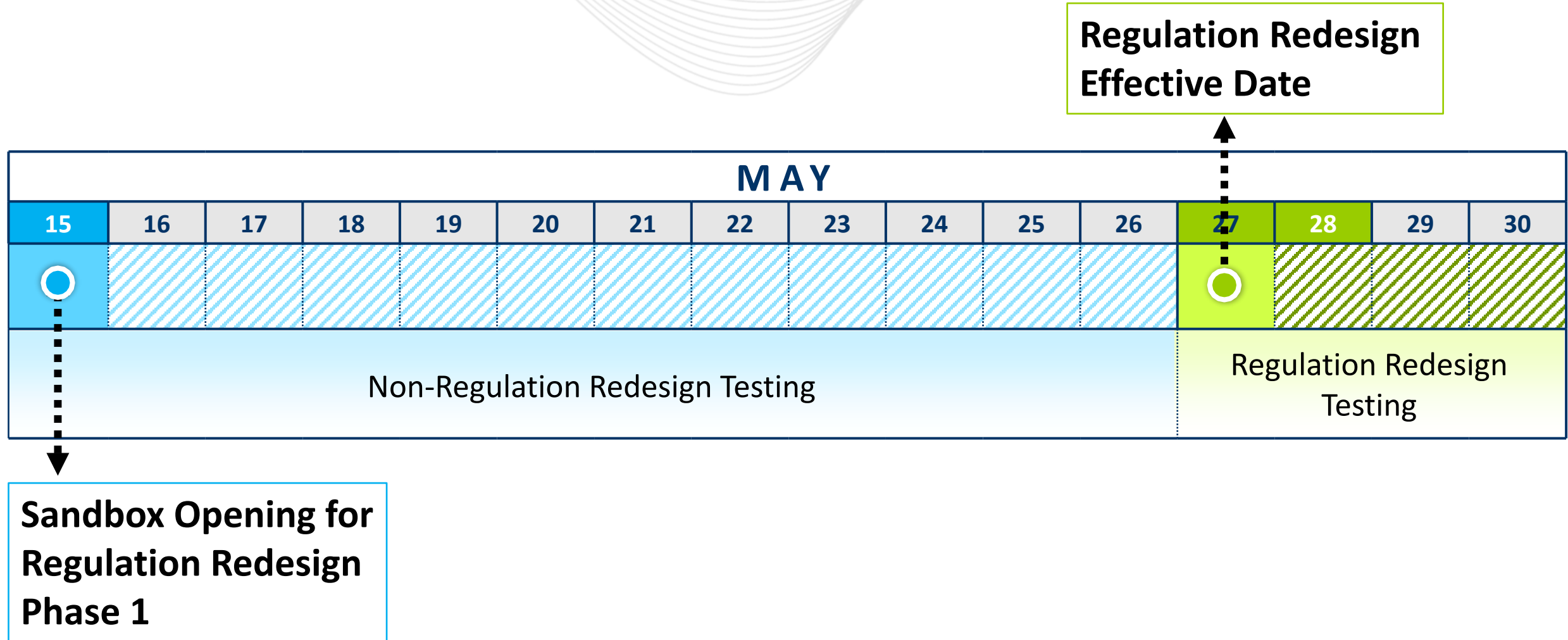
Action Required	Deadline	Who May Be Affected
<p>Communicate to staff about the Regulation Redesign Phase 1 implementation</p>	<p>10/1/2025</p>	<p>Regulation Market Participants</p>
		



#	Design Components	Summary Description
1	Signals and Products	Change from two signals (RegA and RegD) bidirectional to one signal bidirectional that all resources that are assigned Regulation in a given market interval will follow.
2	Requirement MW	Changes to better reflect operational needs, with consideration both to historic and future system conditions
3	Performance Scoring	Change from accuracy, delay and precision to precision only.
4	Offer and Clearing Timing	Eliminate “cost increase in VOM” except for Reg-only resources, change from hour clearing and commitment to 30-minute clearing and commitment.
5	Opportunity Cost Calculation Reform	<ol style="list-style-type: none"> 1. Use the schedule the resource is running for energy or else the cheaper of available schedule for offline. 2. Use tracking desired MW at LMP ramp rate limited. 3. Use the area between LMP and the energy schedule the resource is running on.
6	Settlement	<p>For the eligible resources, Settlement will calculate the shoulder interval opportunity cost for two five-minute ramp-in intervals before the resource Regulation operation and two five-minute ramp-out intervals following the resource Regulation operation (currently, three intervals ramp-in and three intervals ramp-out).</p> <p>Also, Settlement will update the calculation for the Regulation Mileage Credit (currently Performance Credit) such that the mileage ratio is equal to $\text{[Real-Time Regulation Mileage/Historic Regulation Mileage]}$</p>

Phase 1 Milestones and Tentative Timeline

No.	Milestone	Timeline
1	Regulation Redesign project – information update at the TCF	May 5, 2025
2	Regulation Redesign project – information update at the MIC/OC	May 7- 8, 2025
3	Markets Gateway Train (Sandbox) Opens for Testing	May 15 - 30, 2025
4	RegD resources conversion testing begins	June 2025
5	All related manuals first read (Phase 1): M11, M12, M15, M28	July 2025
6	All related manuals endorsed (Phase 1): M11, M12, M15, M28	August 2025 (September if needed)
7	Special education session	August 12 / September 5, 2025
8	Regulation Redesign Phase 1 market opens	Sept. 25, 2025
9	Regulation Redesign Phase 1 go-live (cutover)	Oct. 1, 2025, at 00:00



The following documents have been posted on the Ancillary Services page under a new section called **Regulation Redesign**:

[PJM.com > Markets & Operations > Ancillary Services >](#)

1. **Regulation Effective MW Requirement Definition (2025-2026) - PDF**
2. **Regulation Cost-Based Offer Validation Phase I - XLS**
3. **Self-Administered Regulation Test - XLS**
4. **40-Minute Performance Score Template - XLSM**
5. **XML Schema - XSD**
6. **PJM External Interface Specification Guide - PDF**
7. **Regulation Redesign Phase 1 FAQ - PDF**

No.	Inquiry	Email Contact
1	To request a Regulation test	RegulationTesting@pjm.com
2	Regulation telemetry – signal setup or conversion	PJMTelemetrySupport@pjm.com
3	Regulation Redesign questions	RegulationDesign@pjm.com
4	Communication to PJM Member Relations	custsvc@pjm.com

Chair:

Foluso Afelumo,
Foluso.Afelumo@pjm.com

Secretary:

Stefan Starkov,
Stefan.Starkov@pjm.com

SME/Presenter:

Michael Olaleye,
Michael.Olaleye@pjm.com

Regulation Redesign Project Update



Member Hotline

(610) 666-8980

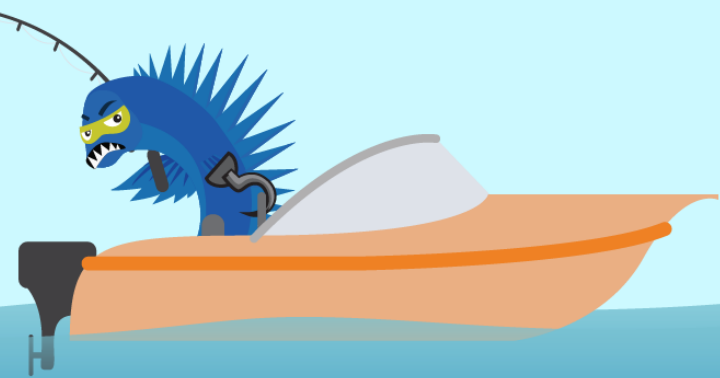
(866) 400-8980

custsvc@pjm.com

**PROTECT THE
POWER GRID**
**THINK BEFORE
YOU CLICK!**



**BE ALERT TO
MALICIOUS PHISHING
EMAILS**



Report suspicious email activity to PJM.
Call (610) 666-2244 or email it_ops_ctr_shift@pjm.com