

Manual 28 – Regulation Market Redesign, Phase 1

Suzanne Coyne

Principal Consultant, Market Settlements Development

Market Implementation Committee

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- Regulation Market Capability Clearing Price Credit

If 5-minute performance score < 0.25, credit = \$0

$$\text{Regulation MW} \times \text{Actual Performance Score} \times \frac{\text{RMCCP}}{12}$$

- Regulation Market Mileage Clearing Price Credit

$$\text{Regulation MW} \times \text{Actual Performance Score} \times \frac{\text{Actual Mileage}}{\text{Daily Historic Mileage}} \times \frac{\text{RMMCP}}{12}$$

Changes:

- Single bidirectional mileage ratio using actual and historic mileage replaces Reg A and Reg D signal mileage ratios.
- New Mileage Clearing Price and Credit terminology replaces Performance Clearing Price and Credit.

Regulation Lost Opportunity Cost Credit (BLI 2340)

- If a pool-scheduled resource is not compensated for its offer plus any opportunity costs via the clearing prices, a resource receives a Lost Opportunity Cost Credit.

Lost Opportunity Cost Credit =

$$\frac{\text{Regulation Offer} + \text{Intra Commitment Opportunity Cost} + \text{Shoulder Opportunity Cost}}{12} - \text{Regulation Clearing Price Credits}$$

If 5-minute performance score < 0.25, credit = \$0

Changes:

- Benefits factor is no longer used to adjust the opportunity cost
- Intra-commitment interval terminology replaces intra-hour to align with change to a 30 minute commitment interval

Manual 28, Section 4.2.2.2 Shoulder Interval Opportunity Cost

- Shoulder interval opportunity costs determined for the eligible two 5-minute intervals preceding or following a regulation 30-minute commitment period (previously three 5-minute intervals and hourly commitment periods).
- Updated calculations to use final offer and new Tracking Ramp-Limited Desired
- Updated eligibility requirements to align with change to a 30 minute commitment interval and use of Tracking Ramp-Limited Desired
- Updated calculation descriptions and added illustrative examples

- RMCCP Charge and RMMCP Charge
 - LSEs, or other Regulation buyers, are charged hourly obligation ratio share of total hourly RMCCP credits and RMMCP credits .
 - Hourly Regulation obligations equal the real-time load ratio share of the total hourly amount of Regulation supplied, excluding mileage ratio component, further adjusted for any bilateral Regulation transactions
- Lost Opportunity Cost Charge
 - Net Regulation Purchasers are charged hourly purchase ratio share of total hourly Lost Opportunity Cost Credits.
 - Hourly Regulation Purchase is the Hourly Regulation obligation less any self-scheduled Regulation MW

Phase 1 change

- Only change is terminology: New Mileage Clearing Price and Charge terminology replaces Performance Clearing Price and Charge.

- Updated terminology for consistency with other PJM Manuals
- Updated capitalization
- Clarified opportunity costs for Economic Load Response resources, Regulation only resources, and self-scheduled resources are zero.
- Clarified list of unit types that are not eligible for shoulder opportunity costs.
- Added additional inputs and calculations to the Regulation Charge section for completeness.

	MIC	MRC
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Endorsement	8.6.2025	8.20.2025

Chair:

Foluso Afelumo,
Foluso.Afelumo@pjm.com

Secretary:

Stefan Starkov,
Stefan.Starkov@pjm.com

Presenter:

Suzanne Coyne,
Suzanne.Coyne@pjm.com

Manual 28 Regulation Redesign Phase 1

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Member Hotline

(610) 666 – 8980

(866) 400 – 8980

custsvc@pjm.com

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