Executive Summary
Manual Changes

Effective Date	12/1/2026

Impacted Manual #(s)/Manual Title(s):

Manual 11: Energy & Ancillary Services Market Operations

Manual 28: Operating Agreement Accounting

Conforming Order(s):

ER24-1772, Phase 2 changes effective 12/1/2026

Associated Issue Tracking Title:	Regulation Market Design

Committee Approval Path - What committee(s) have already seen these changes?

MIC: 1st Read: 9/9/2026

MIC Endorse: 10/7/2026

MRC 1st read date:	9/24/2026
MRC voting date:	10/28/2026

Impacted Manual sections:

M11: Sections 2.1.5, 2.4, 2.5.1, 2.5.3.2, 2.5.3.5, 2.7, 2.18, Section 3, Sections 4.4, 4.4.3, 4.4.3.1, 4.4.4, 4.4.5, 5.1, 5.2.7.2, 9.1.1.

M28: Section 4.1, Section 4.2, Section 4.3, Section 5.2

Reason for change:

Conforming changes for FERC Order for Regulation Redesign Phase 2.

Summary of the changes:

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Regulation Market Redesign Phase 2 conforming changes (ER24-1772)
M11 (Version 138): Sections 2.1.5, 2.4, 2.5.1, 2.5.3.2, 2.5.3.5, 2.7, 2.18, Section 3, Sections 4.4, 4.4.3, 4.4.3.1, 4.4.4, 4.4.5, 5.1, 5.2.4, 5.2.7.2, 9.1.1.

- Widespread additions to delineate concepts by product/service. (i.e. RegUp/RegDn, "by a product", etc.)
- Relocated reference of marginal resource identification and marginal clearing price determination from Section 2.5.3.2 to 2.7.
- Additional description added to Section 2.5.3.5 to describe target and effective times for energy and ancillary service products.
- Cleanup references of Performance Clearing Price to Mileage Clearing Price.
- Addition of detail on how stability limits apply to RegUp and RegDn.
- Updates to cost and price-based offer rules.
- Updates to Regulation Range Limits for two products.
- New Section 3.7.2.2 to detail new Product Bidirectionality and Symmetry functionality.
- Cleanup in Section 5.2.4 of outdated ASO timing.
- Grammatical, reference, and organizational updates with additional detail added where appropriate.

M28: Section 4.1, Section 4.2, Section 4.3

- Updated Regulation Market Clearing Price Credits calculations for each product type (RegUp and RegDn)
- Updated Regulation Lost Opportunity Cost credits calculations to account for multiple product types (RegUp and RegDn)
- Added calculations and illustrative examples for intra-commitment opportunity costs
- Replaced set point calculation with the tracking Regulation set point for shoulder opportunity cost calculations
- Created new Section 4.3.1 describing Regulation Obligation and Adjusted Obligation calculations
- Updated Regulation Market Clearing Price charge calculations for each product type (RegUp and RegDn)
- Updated Regulation Lost Opportunity Cost charge calculations to account for RegUp and RegDn purchases

Section 5.2.6.4 and 5.2.8

- Removed reference to marginal benefit factor that was missed during Regulation Phase 1 manual updates