


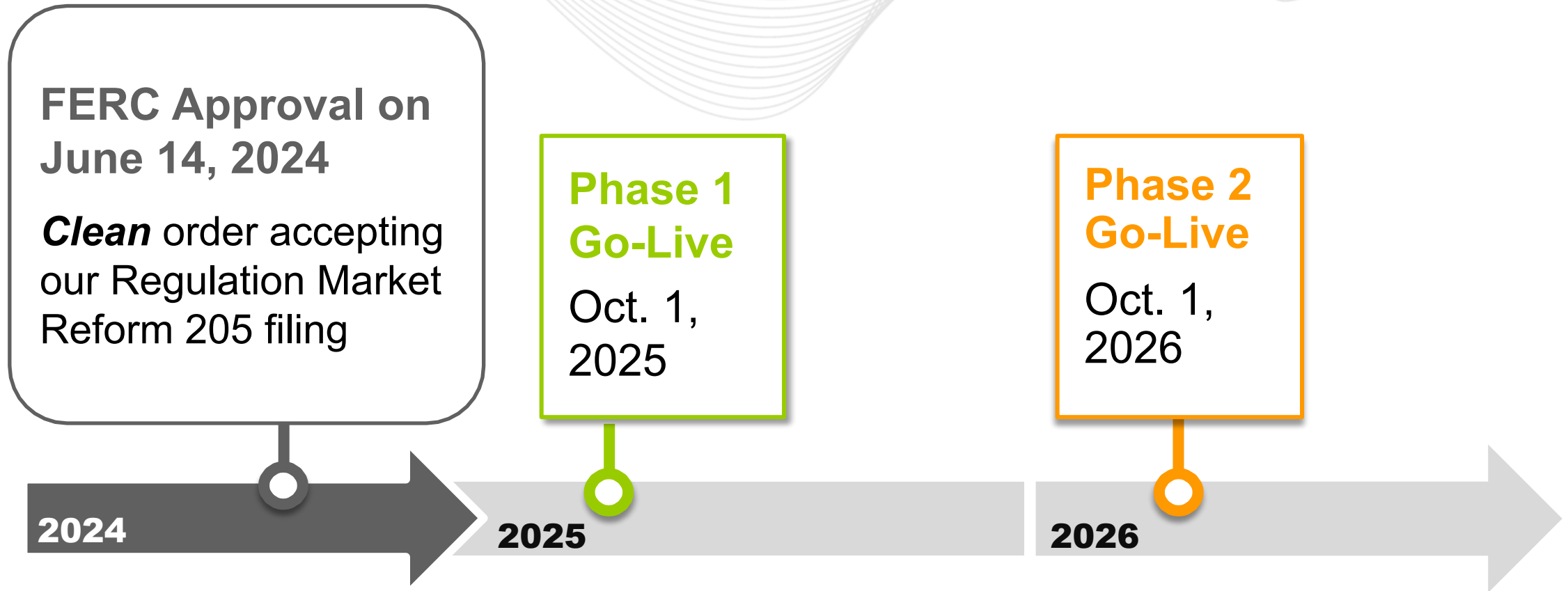


# Regulation Redesign Phase 1 Implementation Update

Damon Fereshetian  
Sr. Engineer, Real-Time Market Operations

Operating Committee  
April 3, 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	<b>Signals and Products</b>	Change from <b>two</b> signals (RegA and RegD) bidirectional to <b>one</b> signal bidirectional that all resources that are assigned Regulation in a given market interval will follow.
2	<b>Requirement MW</b>	Changes to better reflect operational needs, with consideration both to historic and future system conditions
3	<b>Performance Scoring</b>	Change from accuracy, delay and precision to precision only.
4	<b>Offer and Clearing Timing</b>	Eliminate “cost increase in VOM” except for Reg-only resources, change from hour clearing and commitment to 30-minute clearing and commitment.
5	<b>Opportunity Cost Calculation Reform</b>	<ol style="list-style-type: none"> <li>1. Use the schedule the resource is running for energy or else the cheaper of available schedule for offline.</li> <li>2. Use tracking desired MW at LMP ramp rate limited.</li> <li>3. Use the area between LMP and the energy schedule the resource is running on.</li> </ol>
6	<b>Settlement</b>	<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:</p>



# Phase 1 Milestones and Tentative Timeline

No.	Milestone	Timeline
1	Regulation Redesign project – information update at the MIC/OC	April 2025
2	State & Member training	May 2025
3	Markets Gateway Train (Sandbox) Opens for Testing	May or June 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

- [Regulation Redesign Phase 1 – Frequently Asked Questions \(FAQ\)](#)
- [Regulation Redesign Approved Package](#)
- [Regulation Market Design Senior Task Force](#)
- [FERC Acceptance](#)

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

**Chair:**

Anita Patel,  
[Anita.Patel@pjm.com](mailto:Anita.Patel@pjm.com)

**Secretary:**

Vy Le,  
[Vy.Le@pjm.com](mailto:Vy.Le@pjm.com)

**SME/Presenter:**

Damon Fereshetian,  
[Damon.Fereshetian@pjm.com](mailto:Damon.Fereshetian@pjm.com)

**Regulation Redesign Project Update**



**Member Hotline**

(610) 666-8980

(866) 400-8980

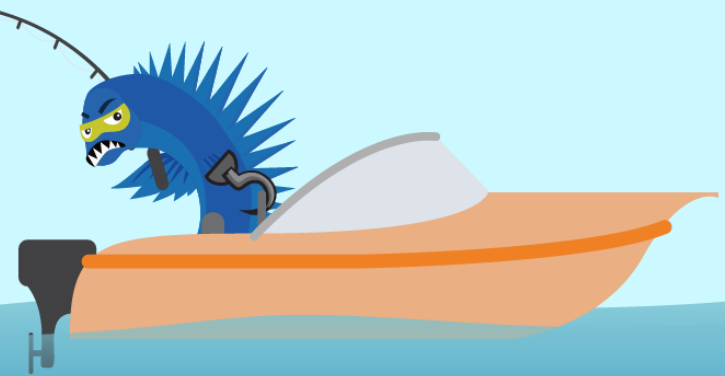
[custsvc@pjm.com](mailto:custsvc@pjm.com)



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