

<b>Effective Date</b>	10/01/2026
<b>Impacted Manual #(s)/Manual Title(s):</b>	
Manual-15: Cost Developed Guidelines	
<b>Conforming Order(s):</b>	
Docket No. ER24-1772-000	
<b>Associated Issue Tracking Title:</b>	Regulation Market Design
<b>Committee Approval Path - What committee(s) have already seen these changes?</b>	
<p>The manual will be reviewed at the following committees/subcommittees:</p> <p>CDS MIC MRC MC PJM Board of Directors</p>	
<b>MRC 1<sup>st</sup> read date:</b>	04/22/2026
<b>MRC voting date:</b>	05/20/2026
<b>Impacted Manual sections:</b>	
Section 2.8	
<b>Reason for change:</b>	
Regulation Redesign Phase II	
<b>Summary of the changes:</b>	
<p>Section 2.8:</p> <ul style="list-style-type: none"> <li>Revised language and formulas how to calculate regulation maximum allowable cost adder examples to accommodate two new market products, Regulation-Up and Regulation-Down.</li> <li>Removed the fuel cost increase and unit specific heat rate degradation due to operating at lower loads in the Regulation Capability portion for Regulation-Up.</li> <li>Updated Margin Risk Adder shall not exceed from \$12 to \$6 of Regulation Service provided for either Regulation-Up or Regulation-Down.</li> <li>Renamed Regulation Mileage to Regulation-Up Mileage and Regulation-Down Mileage.</li> <li>Updated Regulation Mileage Costs portion for Regulation Only Resources. Cost Increase in VOM for Regulation Only Resources shall be divided by 2 and Energy Storage Unit Losses shall be divided by 2 for Regulation-Up or Regulation-Down.</li> </ul>	