



Executive Summary Manual Changes

Effective Date	10/01/2026
Impacted Manual #(s)/Manual Title(s):	
Manual-15: Cost Developed Guidelines	
Conforming Order(s):	
Docket No. ER24-1772-000	
Associated Issue Tracking Title:	Regulation Market Design
Committee Approval Path - What committee(s) have already seen these changes?	
<p>The manual will be reviewed at the following committees/subcommittees:</p> <p>CDS MIC MRC MC PJM Board of Directors</p>	
MRC 1st read date:	04/22/2026
MRC voting date:	05/20/2026
Impacted Manual sections:	
Section 2.8	
Reason for change:	
Regulation Redesign Phase II	
Summary of the changes:	
<p>Section 2.8:</p> <ul style="list-style-type: none"> • Revised language and formulas how to calculate regulation maximum allowable cost adder examples to accommodate two new market products, Regulation-Up and Regulation-Down. • 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. • Updated Margin Risk Adder shall not exceed from \$12 to \$6 of Regulation Service provided for either Regulation-Up or Regulation-Down. • Renamed Regulation Mileage to Regulation-Up Mileage and Regulation-Down Mileage. • 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. • Update the heat rate loss factor from .35% to .175% 	