



**Regulation Market Issues Senior Task Force Report**  
**PJM Interconnection**  
**Members Committee Webinar**  
**January 23, 2017**

The Regulation Market Issues Senior Task Force (RMISTF) held its 14<sup>th</sup> meeting on October 25, 2016. The Charter was endorsed without objections or abstentions by the MRC on October 22, 2015.

PJM Staff and the Independent Market Monitor provided extensive educational material and presentations at the each of the RMISTF meetings. Interest Identification is complete, and Design Components have been identified. At the March 24<sup>th</sup> and April 13<sup>th</sup> meetings the option development was continued, and was completed at the RMISTF's June 1, 2016 meeting.

Additional education regarding the Marginal Rate of Technical Substitution theory was provided and initial presentations of proposed packages were provided at the group's June 22, 2016 meeting.

Additional presentations on the regulation signal definition and Marginal Rate of Technical Substitution as well as continued discussion of proposal packages were conducted at the meeting on July 19, 2016.

At the August 30, 2016 meeting, Mr. Endress provided an update on the PJM Regulation Study, and presented education about the concept of neutrality. Ms. Croop discussed the Performance Score as it relates to proposed items in the RMISTF matrix. Stakeholders reviewed proposed packages in the matrix.

At the September 27, 2016 meeting Mr. Endress discussed the control metric, Ms. Croop provided information on resource performance and performance scoring, members discussed regulation price formation, and members discussed proposed package solutions.

At the October 25, 2016 meeting stakeholders discussed potential transition plans for implementation of any endorsed proposals, and continued vetting of proposal packages.

At the November 16, 2016 meeting Mr. Benner and Mr. Endress will discuss segmented MRTS curves and isoquants with rates of technical substitution, Dr. Haas will discuss the use of the MRTS in settlements and the marginal price to clear, PJM and the IMM discussed the plans for implementation of the updated regulation signal and regulation requirement levels, and stakeholders vetted proposal packages.

At the December 8, 2016 meeting stakeholders discussed proposed transition plans and continued to vet proposal packages.

The updated regulation signal and requirement levels were implemented on January 9, 2017.



It is expected that final updates will be made to proposal packages at the RMISTF's next meeting. It is expected that a vote will be taken on the proposal packages following that meeting.

Next meeting: January 24, 2017

Author: Dave Anders