

## Charter

### Regulation Market Issues Senior Task Force

This charter describes the objectives (mission) and responsibilities of this stakeholder group to complete the specific scope of work assigned by the Markets and Reliability Committee (MRC).

#### Charge Summary

The [Issue Charge](#) states that the purpose of this group is to re-evaluate how the marginal benefit curve is applied within the regulation markets optimization and settlement.

The [Problem Statement](#) is that the marginal benefit function is not correctly defined and it is not consistently applied throughout the Regulation Market construct.

In addition to the Issue Charge and Problem Statement, the task force is examining issues that were identified but not resolved at the Operating Committee.

#### Key Work Activities

The following activities are from the instant Problem Statement and Issue Charge:

- Regulation market education including offer mitigation.
- Re-evaluating the benefits factor curve and proscribed RegA/Reg-D commitment percentages.
- Re-evaluating how the benefits factor curve and mileage ratio are applied within the regulation market optimization and settlement.

The following items were added from the Operating Committee discussions.

- Re-evaluate regulation requirement.
- Identify any common causes for operators manually adjusting regulation signal.
- Re-evaluating regulation signal formation (including potential Reg B) including the Reg D neutrality.
- Re-evaluation of self-schedule and the zero offer resources in the commitment process and impacts on energy market.
- Re-evaluation of regulation testing score and regulation service score methodology.
- Re-evaluating schedule used in the regulation lost opportunity cost calculation.

#### Expected Deliverables, Milestones and Deadlines

- Analysis of alternatives for solutions to the observed market and operational issues associated with the current definition and inconsistent application of the marginal benefit factor in the Regulation Market construct.
- Tariff modifications and M-11 and M-12 updates to reflect any decisions.

#### Decision-Making Method

Tier 1, consensus on a single proposal

#### Administrative Details

Group name: Regulation Market Issues Senior Task Force (RMISTF)

Parent committee: Markets and Reliability Committee (MRC)



Facilitator: Dave Anders

Secretary: Sheila Volinsky

Web page: <http://www.pjm.com/committees-and-groups/task-forces/rmistf.aspx>

Meeting frequency: Monthly, or as needed

Expected overall duration of work: 6-8 months

- The Regulation Market Issues Senior Task Force (RMISTF) shall base its activities by the rules and protocols found in the PJM Stakeholder Process Manual (M-34).
- The group will accomplish the scope of work identified above and only the work above. Approval from the parent Standing Committee will be sought before engaging in any activity outside this scope.
- The group will periodically report progress on its chartered scope of work to its parent Standing Committee.
- Meeting minutes and all meeting materials will be published on the PJM web site.
- The group will prepare a final report (the Consensus Proposal Report or Proposal Alternatives Report whichever is applicable). This report will constitute its recommendation to the parent Standing Committee to resolve the issue.
- Membership in the group is open and will be identified by volunteerism. Group members are not required to sign a confidentiality agreement or non-disclosure agreement.