

<b>Effective Date</b>	11/4/15
<b>Impacted Manual #(s)/Manual Title(s):</b>	
M11: Energy & Ancillary Services Market Operations	
<b>Conforming Order(s):</b>	
N/A	
<b>Associated Issue Tracking Title:</b>	Regulation Performance Impacts
<b>Committee Approval Path - What committee(s) have already seen these changes?</b>	
Operating Committee Market Implementation Committee	
<b>MRC 1<sup>st</sup> read date:</b>	10/1/2015
<b>MRC voting date:</b>	10/22/2015
<b>Impacted Manual sections:</b>	
<ul style="list-style-type: none"> <li>- 3.1 – Revisions for clarity and to clean up formatting</li> <li>- 3.2.4 – Minor revision for clarity</li> <li>- 3.2.7 – Revised the Benefits Factor Curve to a more steeper slope intersecting x-axis at 40 (from 62)</li> <li>- 3.2.7 – Updated business rules to recognize hours of the day with need for more sustaining regulation (RegA) and where RegD with benefits factor less than 1 will not be considered in the regulation clearing because its reduced benefits</li> <li>- 3.2.7 – Added frequency of benefits factor calculation</li> <li>- 3.2.7 – Added benefits factor calculation steps</li> <li>- 3.2.9 – Removed a bullet about operating bandwidth around the RTO regulation requirement. A new requirement had been defined during the Performance Based Regulation implementation in section 4.4.3 of Manual 12 – Balancing Operations</li> </ul>	
<b>Reason for change:</b>	
These changes support a proposal developed by the OC. The proposal addresses fix to two major issues around dynamic regulation resources performance in operation especially during the period of a need for sustaining regulation	
<b>Summary of the changes:</b>	

Regulation Performance Impacts Proposal:

- Implement a change to the benefits factor curve to reduce the amount of RegD that can be cleared. This will help to align RegD procurement with operation practice.
- Implement a tie-breaker for benefits factor calculation using resource historic performance score for RegD with initial adjusted total offer cost of \$0 due to self-schedule or \$0 regulation offer with no potential for lost opportunity cost. This will help to reduce or eliminate over-procurement of RegD