



Regulation Market Issues Senior Task Force Proposal

Executive Summary

The Compromise proposal is the PJM/IMM package, with the minimum changes to address aspects of that proposal that the storage industry will not be able to support. Those changes are:

- Place the high-level definitions of the Regulation signals and MRTS curve in the tariff.
- Calculate the MRTS based on the characteristics of the regulation signal that resources are obligated to follow rather than modeled responses of a hypothetical regulation fleet.

Our proposed tariff language is:

Regulation Signal, tariff Schedule 3(h) and Attachment K Appendix Sec 1.11.4(c):

The control signal sent to traditional Regulation resources will be constrained by ramping limits, as further set forth in PJM Manuals. The control signal sent to dynamic Regulation resources will be optimized, but not constrained, to minimize net energy demands, as further set forth in PJM Manuals.

MRTS, Att. K Sec 3.2.2(j):

The Office of the Interconnection shall calculate a Marginal Rate of Technical Substitution (MRTS) Curve between the dynamic Regulation signal and traditional Regulation signal. As further detailed in PJM Manuals, the MRTS Curve shall be calculated using engineering models to determine the combinations of the dynamic Regulation signal and traditional Regulation signal that provide equivalent system control, as measured by control metrics to be specified in PJM Manuals.

Questions and comments are welcomed.

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