

Regulation Market Observations

MIC

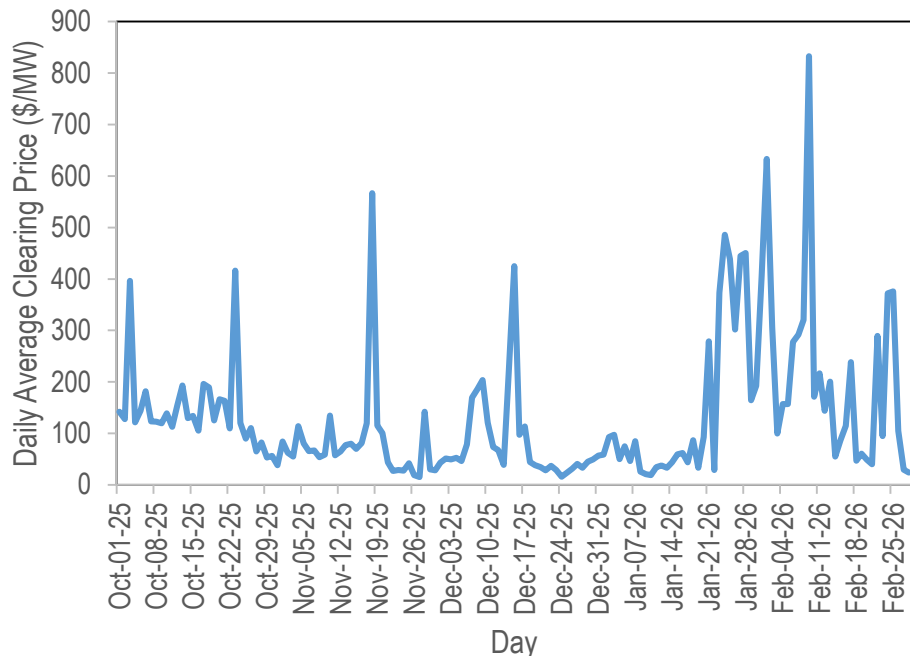
April 2, 2026

IMM



Monitoring Analytics

Regulation Clearing Prices for January and February



- Multiple congestion and shortage events have lead to high regulation clearing prices due to high LOC in January and February.
- Partial and fractional clearing of inframarginal units in the clearing engine that become marginal units in the operational hour appear to be a contributing factor to the very high prices during shortage events.

- The IMM is investigating the partial and fractional clearing of inframarginal offers and discussing with PJM.

Year	Month	Performance Adjusted MW	Total Regulation Credits (\$)	Weighted Average Price (\$/MWh)	Weighted Average Cost (\$/MWh)	Price Percent of Cost
2025	Oct	472,430.6	60,069,077	127.15	127.99	99.3%
	Nov	484,604.8	30,657,288	63.26	65.02	97.3%
	Dec	497,431.6	33,409,595	67.16	69.78	96.3%
2026	Jan	501,730.2	72,067,923	143.64	148.58	96.7%
	Feb	451,980.3	89,022,684	196.96	200.18	98.4%

Regulation Optimization Concerns

- **The IMM, working with PJM, has identified a number of areas for improvement between the interaction between offer parameters of a subset of resources and the current regulation market design logic.**
- **Depending on offer parameters, market results (marginal price effects) can be very sensitive to differences between ASO LMP forecasts and actual LMPs within a commitment period.**
- **The IMM and PJM are exploring ways to improve this interaction to mitigate this and improve market results.**

Regulation Optimization Concerns

- **REG MAX cannot be less than ECO MAX.**
 - The regulation range should match the economic range.
 - Where $ECO\ MAX > REG\ MAX$, LOC will be based on (max economic desired output) = REG MAX.
 - **Bid ramp must match actual ramp for LOC calculations.**
 - Actual realized ramp (within the hour reg+residual ramp) should override bid ramp for purposes of determining LOC.

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