

# Regulation Movement Multiplier Update

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MARKET OPERATIONS

**Business Issues Committee**

May 10, 2021

# Agenda

- Regulation Movement Multiplier (RMM)
- Current RMM
- RMM Update
- Tariff Update
- Next Steps

# Regulation Movement Multiplier (RMM)

- **Regulation Movement is the absolute value of the change in Energy or Demand Reduction over a six second interval, measured in MW, that a Regulation Service provider is instructed to deliver for the purpose of providing Regulation Service**
- **Regulation Movement Multiplier (RMM)**
  - A factor, when multiplied by the Regulation Movement Bid price, that is used in scheduling Regulation Service providers
  - Represents the historical relationship between the number of MW of Regulation Capacity that the ISO sought to maintain in each hour and the number of Regulation Movement MW instructed by AGC in each hour

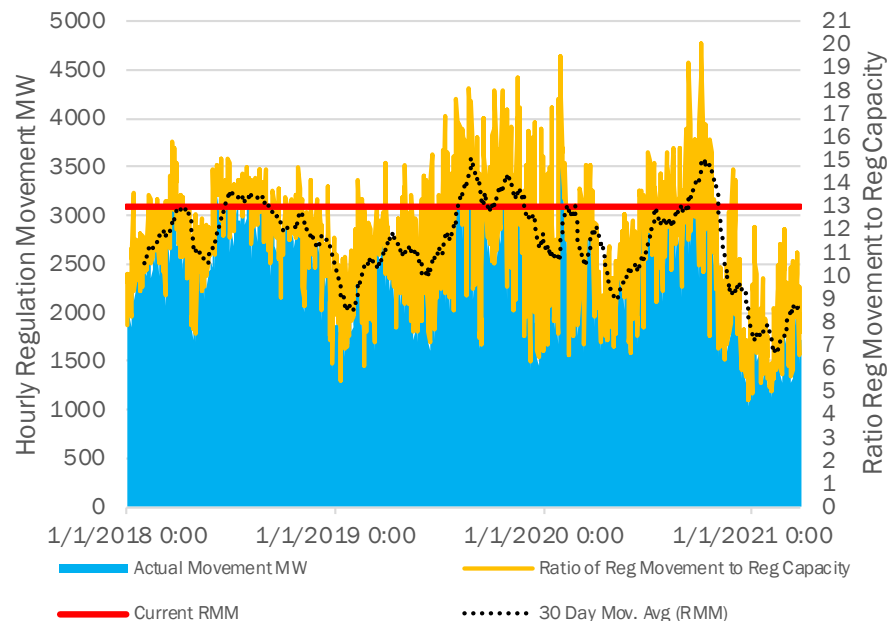
# Current RMM

- **Market Participants approved an update to the RMM in 2014**
  - NYISO analysis recommended updating the RMM to 13 from the then value of 10
  - The analysis was of the recently observed average ratio of Regulation Movement MWh to Regulation Capacity MWh
  - Tariff updates to the Market Administration and Control Area Services Tariff (MST) Section 2.18 (the “R” definition section) were filed with FERC in Q1 2015
  - The update was implemented in April 2015

# RMM Update

- A recent decrease in the ratio has been observed since Oct 2020
- This is coincident with AGC software tuning that increases the efficiency with which NYISO procured regulation movement
- The average ratio prior to Oct 2020 was approx. 12
- The average ratio since Oct 2020 is approx. 8
- The current RMM is set to 13
- The NYISO recommends updating the RMM to 8

NYCA Average RM & RMM  
2018 through March 2021



# Tariff Update

- **Update to the MST definitions section “R”**

- **Regulation Movement Multiplier:** A factor with the value of ~~thirteen~~ eight(~~13~~ 8), used with the Regulation Movement Bids, to schedule Regulation Service providers in both the Day-Ahead and Real-Time Energy markets. The ISO calculates the Regulation Movement Multiplier based on the historical relationship between the number of MW of Regulation Capacity that the ISO seeks to maintain in each hour and the number of Regulation Movement MW instructed by AGC in each hour.

# Next Steps

- MC Approval – May 26, 2021
- Board of Directors Approval
- Tariff Language Filing with FERC
- Implementation

# Our mission, in collaboration with our stakeholders, is to serve the public interest and provide benefit to consumers by:

- Maintaining and enhancing regional reliability
- Operating open, fair and competitive wholesale electricity markets
- Planning the power system for the future
- Providing factual information to policymakers, stakeholders and investors in the power system





# Questions?