

Start-up Cost Offer Development

Issue Source

This item was brought forth as a proposed topic for the Cost Development Subcommittee (CDS) to discuss.

Issue Content

The intent of this work is to provide detailed guidance to Market Sellers on how to calculate start-up cost-based offers in accordance with the guidance provided in Manual 15 Cost Development Guidelines.

Key Work Activities and Scope

Provide detailed guidance and updates as necessary in Manual 15 for:

- 1) Calculation of start-up cost based offers for steam units, combustion turbine units (CT), combined cycle units (CC), and diesel units including:
 - a. Allowable components in the start-up cost calculation,
 - b. Costs for multi-block combined cycle units including how to value CT generation if applicable,
 - c. Rules for aggregated combustion turbines or diesels,
 - d. And discussion of additional labor costs during start-up.
- 2) Discuss consistency of start-up cost parameters with start-up and notification times.
- 3) Review and confirm unit types currently in M15 limited to zero start-up costs.

Topics out of scope include calculation of No-Load and Incremental Energy offers (to be handled in a separate Issue Charge), start-up unit specific parameter limits/proxies, and the unit specific parameter adjustment process.

Expected Deliverables

Expected deliverables include:

- 1) Revisions to Manual 15 Cost Development Guidelines
- 2) Example spreadsheet with calculations that can be used for the development of the Cost Offer Calculator or by Market Sellers for education.

Decision-Making Method

Tier 1, consensus (unanimity) on a single proposal.

Stakeholder Group Assignment

This item will be discussed at the Cost Development Subcommittee (CDS) with the expected Manual 15 changes forwarded to the Market Implementation Committee (MIC) for endorsement.

Expected Duration of Work Timeline

This item can be immediately discussed at the CDS. The expected timeline to complete this task is estimated to be 6 month.

Start Date	Priority Level	Timing	Meeting Frequency
2/16/2021	<input checked="" type="checkbox"/> High <input type="checkbox"/> Medium <input type="checkbox"/> Low	<input checked="" type="checkbox"/> Immediate <input type="checkbox"/> Near Term <input type="checkbox"/> Far Term	<input type="checkbox"/> Weekly <input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Quarterly

Charter

(check one box)

<input type="checkbox"/>	This document will serve as the Charter for a new group created by its approval.
<input checked="" type="checkbox"/>	This work will be handled in an existing group with its own Charter (and applicable amendments).

More detail available in M34; Section 6