



# Fuel Cost Policy and Hourly Offers Filing Manual 15 Conforming Changes



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March 23, 2017

- Section 1.8 applies to everything but Fuel Cost Policies (FCP)
- Section 2.3 – small change related to Operating Agreement, Schedule 2, related to consistent with fuel type on which a resource can operate
- Section 2.3.1 – changes based on new resources and revocation process
- Created 2.3.1.1, 2.3.1.2, and 2.3.1.3 to make the review periods cleaner
- Fuel Policies are only fuel, Emission and VOM are also annual reviews.
- VOM annual review existed before, Emissions annual review added
- Manual is conforming changes to tariff language filed on March 6, 2017

- Section 2.3 – added “each”, and “resource can operate”

A Market Sellers may only submit a non-zero cost-based offer if it has a PJM-approved Fuel Cost Policy consistent with each fuel type on which the resource can operate in accordance with Section 2.3.1 of this manual and Operating Agreement, Schedule 2.

- Section 2.3.1 – added text below, removed “jointly”

The MMU shall review the Fuel Cost Policy, and shall consult with the Market Seller, to determine whether the Fuel Cost Policy raises market power concerns. The MMU shall provide the results of its review to PJM and the Market Seller, in writing, by no later than August 1.

If the MMU advises that the request should be subject to the PJM deadline, the MMU will inform PJM of such request at the time it is made.

- 2.3.1.2 – cleaned up bullets to clearly delineate when an update to a Fuel Cost Policy is required
- Added transferred resource requirement:

For resources transferred to another Market Seller, the new Market Seller shall submit a Fuel Cost Policy to PJM and MMU for review 45 days prior to transfer. The new Market Seller will be required to have a PJM-approved Fuel Cost Policy prior to entering non-zero cost-based offers.

- **1.8 – Cost Methodology and Approval Process** - PJM and MMU (removed “deemed approval”) exceptions not related to Fuel Cost Policies
- **1.9 – References** – fixed a Reference to Opportunity Cost Calculator in Markets Gateway
- **2.2 – Performance Factors** – removed “first”, submit to PJM and MMU and changes to be made per Section 2.3
- **2.3 Fuel Cost Policies and Guidelines** – Non-Zero cost based offers unless PJM approved FCP consistent with Fuel Type.
- **2.3.1 Submission of and/or Modifications to Fuel Cost Policies** - Annual process, Update FCP, Non Annual, Reject, Revoke, No policy
- **2.3.1.1 Annual Review Process** – delineates annual review process timeline, new resources without operational data
- **2.3.1.2 Outside Annual Review/New Resources** – outside the annual review process timeline, conditions required to update policy, new and transferred resources
- **2.3.1.3 Revocation** – process related to revocation, 3 Business Day rebuttal period
- **2.3.2 Fuel Cost Calculation** - Using actual Fuel Cost data to determine if a FCP change is required, Method only changeable via 2.3.1.2 (used to be 1.8)
- **2.3.5 Emissions Allowances** – Emissions Policy with an annual update
- **2.3.7 Engineering Judgement in Fuel Cost Calculations** -New Section to allow for engineering judgement in fuel cost calculations
- **2.5.2 No-Load Fuel** - In accordance with currently approved FCP
- **2.5.3 No Load Calculation** - PJM and MMU and FCP and Section 2.3.1
- **2.6 Variable Maintenance Cost** – PJM and MMU and Section 1.8
- **2.6.3 Incremental Adjustment Parameter**- Added these records shall be made available to PJM or the MMU upon request
- **3.6.1 Configuration Addition Maintenance Adder** - PJM and the MMU
- **4.6.1 Configuration Addition Maintenance Adder** - PJM and the MMU
- **5.6.1 Combined Cycle / CT Long Term Service Contract Cost Recovery** - PJM and the MMU and Section 1.8
- **5.6.2 Long Term Maintenance Expenses**- Previously evaluated and approved
- **6.6 Maintenance Cost**- Previously evaluated and approved
- **6.6.2 Combustion Turbine Long Term Service Contract Cost Recovery** - PJM and the MMU and Section 2.3.1
- **7.3 Fuel Cost** - PJM and the MMU
- **9.3 Fuel Cost** - PJM and the MMU
- **11.8 Regulation Cost** (for Energy Storage resources) - PJM and the MMU, Section 2.3.1
- **12.1 Opportunity Cost Policy** - PJM and the MMU
- **12.3 Calculation Method Options**: Two Methodologies for calculating Opportunity Cost - PJM and the MMU