

Start-Up Cost Offer Development : Clarification Package

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What is the Clarification Package?

- The Clarification Package is meant to offer an alternative to the PJM/IMM package that stays as close to the Status Quo as possible, but contains necessary clarifications to the manual language.
- The PJM/IMM package goes beyond language clarification to propose substantive changes to Start-Up Cost for Combined Cycle units.

Background

- The Cost Development Subcommittee (CDS) set to work on improving manual language for Start-Up Cost development.
- The PJM/IMM package goes beyond clarification and proposes substantive changes to Start-Up Cost for Combined Cycle units.
- The Status Quo is an unacceptable alternative to PJM/IMM for those who do not want to make substantive changes to Start-Up Cost for Combined Cycle units because the Status Quo requires clarifications to reflect current actual practice.
- The Clarification Package language contains the necessary clarifications to reflect current actual practice.

Further Background

- The CDS began meeting again in early 2020 after not having met since 2013.
- At the June 2021 CDS, the IMM proposed to resurrect the “soak time” parameter. Soak time had been developed by the MGSTF and was nearly put to an endorsement vote at January 2020 MRC where it was sent back to MGSTF and then later rejected by stakeholders at MGSTF.
- At July 2021 CDS, PJM and IMM agreed to defer work on soak time until after Combined Cycle modeling improvements were complete.

Further Background, continued

- Also at the July 2021 CDS, PJM and IMM proposed to eliminate the period of time from breaker close to steam turbine breaker closure or HRSG pressure match for Combined Cycle units from the definition of Start Cost.
- This would substantively change the ability for a Combined Cycle unit to recover a portion of their actual costs, while potentially making them look more competitive for unit commitment than other unit types.
- Vistra and other stakeholders expressed an interest in clarifying but not making any substantive changes to the definition of Start Cost at this time, and having a fresh look at “soak time” in the future.