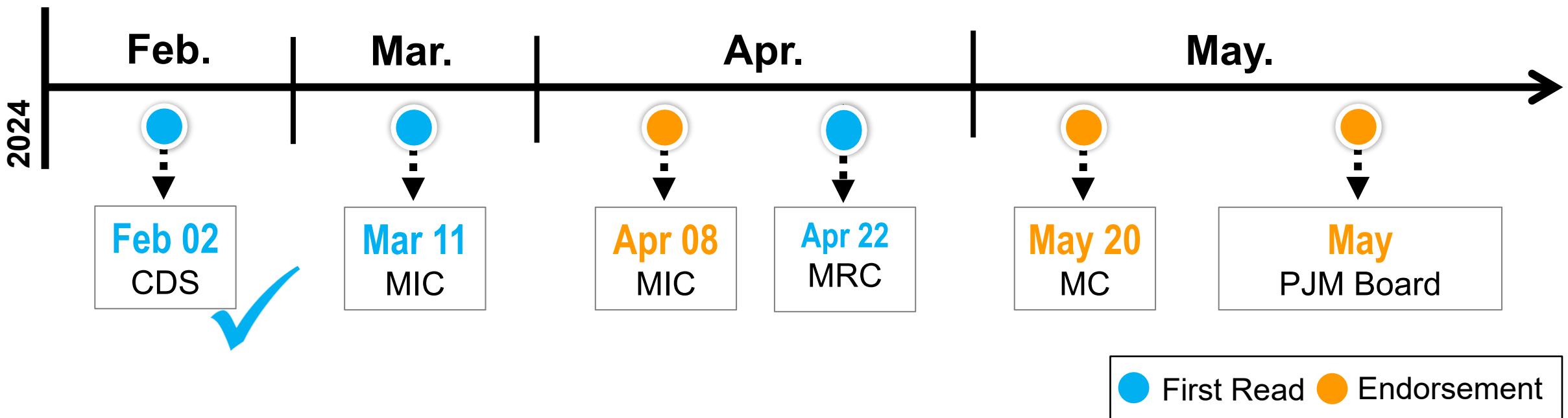




Manual 15

Biennial Review Changes

Jennifer Warner-Freeman
CDS
February 2, 2026



- 2.6 – Clarify changes to VOM adder formats
- 12.7.1 – Clarification on Opportunity Cost Calculator dispatch level
- 12.7.6 – Clarification on Opportunity Cost Calculator adders on a \$/start and \$/hour basis.

Market Sellers may only change the format of the Operating Costs (i.e., \$/MMBtu, \$/MWh) once per calendar year at the time of submission. Once an adder becomes effective, the format can not change until the following calendar year. In addition, once the Operating Costs have been approved by PJM, the adder can only be included in the corresponding portions of the associated cost based energy offer components (i.e., no-load costs, Incremental Energy Costs, Start-Up Costs).

12.7.1 Calculation Method

The Opportunity Cost Calculator selects the hours of operation that will maximize the generator's energy market revenue net of the generator's short run marginal cost of producing energy, subject to the unit specific environmental or operational limits. During an hour of operation, the dispatch level will be greater than or equal to the Economic Minimum and less than or equal to the Economic Maximum. The duration and structure (i.e. rolling compliance periods or a single compliance period) of the optimization period will be as specified in an environmental permit for environmental limitations, or as specified by the original equipment manufacturer or insurance carrier for physical equipment limitations. In the case of a fuel supply limitation, the duration of the optimization period must be approved by PJM and the MMU.

The opportunity cost adder is a \$ per MWh value and can only be added to the Incremental Energy Cost except in the case that the binding environmental or operational limit is starts per compliance period or hours per compliance period. In the case that the binding environmental or operational limit is starts per compliance period, the opportunity cost adder is a \$ per start value and can only be added to the Start-up Cost. In the case that the binding environmental or operational limit is hours per compliance period, the opportunity cost adder is a \$ per hour value and can only be added to the No-Load Cost.

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M15 Biennial Review



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