

## Cost Development Subcommittee Report PJM Interconnection Markets and Reliability Committee The Chase Center on the Riverfront, Wilmington, DE August 17, 2011

The <u>Cost Development Subcommittee</u> met on August 8, 2011. This meeting covered the following items:

CDS reviewed No-Load calculation examples for Combustion Turbines and Combined Cycles. CDS members also reviewed proposed Manual 15 changes to incorporate the revised No-Load calculations. Examples of the calculations for a steam unit, a simple-cycle CT, and a 2-on-1 combined cycle unit with duct burners were requested to be added to the manual as an appendix. Additional clarifying language on the manual definition of no-load costs will be provided by the Market Monitor to address stakeholder concerns. PJM will bring the updated manual language to the next CDS meeting for approval.

CDS reviewed the categorized list of maintenance repair or replacement activities that have been consolidated into a Matrix of Maintenance. CDS made significant progress in completing the <u>Variable Operating and Maintenance (VOM) Cost Definition</u> Collaborative Solution Matrix. At the next meeting, discussions will continue to develop a consensus position.

## Administrative Items:

The next meeting will be held on September 12, 2011.

## **Future Issues**

The CDS plans to address the following future topics:

- Unit Types not addressed in Manual 15.
- Treatment of Units under Long Term Contracts (Legacy Item)
- Immature Unit Definition
- Combined Cycle Modeling
- Cyclic Peaking Factors for Combined Cycle Units

Author: Thomas Hauske
Typist: Thomas Hauske
DMS Document number: 657833

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