

Soak Cost Settlement Examples

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November 14, 2019

- The original settlement example presented at the October 4 meeting incorrectly used the incremental energy offer values for the Day Ahead and Real Time Soak Time period and should have used the hourly Soak Costs. The updated examples presented today have the correct cost values highlighted in red.

- The following settlement examples are included in the spreadsheet posted for this meeting:
 - Original example with hourly soak cost
 - Revised example with one average soak cost
 - IMM example with soak fuel in start-up Costs
 - Revised example with one average soak cost over midnight period
 - IMM example with soak fuel in Start-up Costs over midnight period

- PJM recommends using one average hourly soak cost for the Soak Time period
 - Reduces Markets Gateway Inputs
 - Improves alignment of unit output and costs during Day Ahead startup and Soak Time potentially reducing generator buy back costs and improving economic dispatch
 - Prevents over recovery of make whole when a unit is scheduled over the midnight period.
 - Provides Dispatch more detail on expected unit performance during Real Time commitments