

Energy Offer Development (DRAFT)

Issue Source

This item was brought forth as a proposed topic for the Cost Development Subcommittee (CDS) to discuss.

Issue Content

The intent of this work is to provide detailed guidance to Market Sellers on how to calculate cost-based incremental energy and no-load offers in accordance with the guidance provided in Manual 15 Cost Development Guidelines.

Key Work Activities and Scope

Provide detailed guidance in Manual 15 for:

- 1) Calculation of incremental energy offers using either
 - a. Incremental heat rates,
 - b. Average heat rates, or
 - c. Average heat rates with zero No-Load
- 2) How to calculate offers using either block loaded or slope in Markets Gateway.
- 3) **How to calculate peak offer segments for CTs and CCs using Peaking Factors.**
- 4) Different methods to calculate No-Load offers.

Topics out of scope include calculation of Start Cost offers (to be handled in a separate Issue Charge).

Expected Deliverables

Expected deliverables include:

- 1) Revisions to Manual 15 Cost Development Guidelines
- 2) Example spreadsheet with calculations that can be used for the development of the Cost Offer Calculator or by Market Sellers for education.

Decision-Making Method

Tier 1, consensus (unanimity) on a single proposal.

Stakeholder Group Assignment

This item will be discussed at the Cost Development Subcommittee (CDS) with the expected Manual 15 changes forwarded to the Market Implementation Committee (MIC) for endorsement.

Expected Duration of Work Timeline

This item can be immediately discussed at the CDS. The expected timeline to complete this task is estimated to be 6 month.

| Start Date | Priority Level | Timing | Meeting Frequency |
|------------|---|--|--|
| 1/14/2021 | <input checked="" type="checkbox"/> High <input type="checkbox"/> Medium <input type="checkbox"/> Low | <input checked="" type="checkbox"/> Immediate <input type="checkbox"/> Near Term <input type="checkbox"/> Far Term | <input type="checkbox"/> Weekly <input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Quarterly |

Charter

(check one box)

| | |
|-------------------------------------|--|
| <input type="checkbox"/> | This document will serve as the Charter for a new group created by its approval. |
| <input checked="" type="checkbox"/> | This work will be handled in an existing group with its own Charter (and applicable amendments). |

More detail available in M34; Section 6