



## Cost Development Subcommittee CONSENSUS PROPOSAL REPORT

### No Load Cost Definition

12/21/2011

This proposal was endorsed by the CDS on November 14, 2011 with minor language clarifications.

This proposal brings forward manual language changes for Manual 15: Cost Development Guidelines to better explain No Load fuel and No load cost calculation.

The proposal described below is being recommended by the Cost Development Subcommittee. This report was developed in accordance with procedures documented in Section 7 of the PJM Stakeholder Process Manual (Manual 34).

#### 1. Recommended Proposal

This change to No Load language in Manual 15 adds clarity and examples to aid participants in the development of their no load costs. This change adds guidance to the appropriate no load calculation that should be used for block loaded or unit offers that use bid slope. It also creates a new rule that in instances when a no-load cost may have to be adjusted to ensure that the slope of the generator offer curve is monotonically increasing, the No-Load cost adjustment is limited to a maximum difference of \$1/MW between the unit's first and second incremental cost offers.

#### 2. Stakeholder Process Summary

CDS reviewed proposed manual language at the November 14, 2011 meeting and endorsed the language with minor clarification changes. CDS is forwarding the proposed manual language to the MRC as a Consensus Proposal. The IMM opinion supported the proposed changes. Appendix II: Stakeholder Participation

A list is provided here of the task force or subcommittee members who participated at the meeting where the final vetting of options/alternatives was completed.

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**MEMBERS IN ATTENDANCE:**

Zadlo, Tom (Acting Chair)	PJM Interconnection	Not Applicable
Gomez, Luis	Exelon Generation Co., LLC	Transmission Owner
Lopez, Johny	PSEG Energy Resources and Trade LLC	Transmission Owner
Hauske, Tom (Acting Secretary)	PJM Interconnection	Not Applicable

**ALSO IN ATTENDANCE:**

Dugan, William	Monitoring Analytics, LLC	Not Applicable
Bowring, Joe	Monitoring Analytics, LLC	Not Applicable

**IN ATTENDANCE VIA WEB EX / TELECONFERENCE:**

Burner, Bob	Duke Energy Carolinas, LLC	Generation Owner
Hoag, Richard	FirstEnergy Solutions Corp.	Transmission Owner
Fee, George	PSEG Company	Not Applicable
Penwell, Julie	Appalachian Power Company	Generation Owner
Carretta, Ken	PSEG	Transmission Owner
Siegrist, Hal	GenOn Energy Management, LLC	Generation Owner
Ciampaglio, Tony	Constellation Energy Commodities Group, Inc.	Other Supplier
Filomena, Guy	Customized Energy Solutions, Ltd.*	Not Applicable

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