

## Start-up Cost Offer Development

### 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 start-up cost-based offers in accordance with the guidance provided in Manual 15 Cost Development Guidelines.

### Key Work Activities and Scope

Provide detailed guidance and updates as necessary in Manual 15 for:

- 1) Calculation of start-up cost based offers for steam units, combustion turbine units (CT), combined cycle units (CC), and diesel units including:
  - a. Allowable components in the start-up cost calculation,
  - b. Costs for multi-block combined cycle units including how to value CT generation if applicable,
  - c. Rules for aggregated combustion turbines or diesels,
  - d. And discussion of additional labor costs during start-up.
- 2) Discuss consistency of start-up cost parameters with start-up and notification times.
- 3) Review and confirm unit types currently in M15 limited to zero start-up costs.

Topics out of scope include calculation of No-Load and Incremental Energy offers (to be handled in a separate Issue Charge), start-up unit specific parameter limits/proxies, and the unit specific parameter adjustment process.

### 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
2/16/2021	<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 type="checkbox"/>	This work will be handled in an existing group with its own Charter (and applicable amendments).
<input checked="" type="checkbox"/>	This task was self assigned to CDS as it is within the existing CDS charter

More detail available in M34; Section 6