



# OATT & Operating Agreement Redlines Related to No-Load and Incremental Energy Offers

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Cost Development Subcommittee

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## **Incremental Energy Offer:**

“Incremental Energy Offer” shall mean offer segments comprised of a pairing of price (in dollars per MWh) and megawatt quantities, which must be a non-decreasing function, ~~and taken together produce all of the energy segments above a resource’s Economic Minimum. No load Costs are not included in the Incremental Energy Offer.~~

## **No-load Cost:**

~~“No load Cost” shall mean the hourly cost required to create the starting point of a monotonically increasing incremental offer curve for a generating unit.~~

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No Load Cost shall mean the hourly energy cost required to theoretically operate a synchronized unit at zero MW. It consists primarily of the cost of fuel, as determined by the unit’s no-load heat (adjusted by the performance factor) times the fuel cost. It also includes operating costs, maintenance adders, emissions allowances and taxes.

## **Incremental Energy Offer:**

“Incremental Energy Offer” shall mean the cost in dollars per MWh of providing an additional MWh from a synchronized unit.. It consists primarily of the cost of fuel, as determined by the unit’s incremental heat rate (adjusted by the performance factor) times the fuel cost. It also includes operating costs, maintenance adders, emissions allowances, taxes, tax credits, and energy market opportunity costs. ~~offer segments comprised of a pairing of price (in dollars per MWh) and megawatt quantities, which must be a non-decreasing function and taken together produce all of the energy segments above a resource’s Economic Minimum. No load Costs are not included in the Incremental Energy Offer.~~

## **No-load Cost:**

“No-load Cost” shall mean the hourly cost required to theoretically operate a synchronized unit at zero MW. It consists primarily of the cost of fuel, as determined by the unit’s no load heat (adjusted by the performance factor) times the fuel cost. It also includes operating costs, maintenance adders, emissions allowances and taxes. ~~create the starting point of a monotonically increasing incremental offer curve for a generating unit.~~

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## OATT & Operating Agreement Redlines



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