

M15 Start-up Cost Calculation - Pricing Station Service/Generation During Start for Units with a Soak Process

Issue Source

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Issue Content

Technical issue related to the use of the 12-month rolling average off-peak energy prices in the calculation of Start-up costs for generators with a soak process.

Specifically, off-peak energy prices were elevated in 2022 due to geopolitical issues driving higher natural gas and other fuel prices. In 2023, gas/fuel prices returned to alignment with lower pre-2022 levels, as did energy prices. This rendered the 12-month rolling average used to calculate the Station Service Rate in 2023 elevated relative to the actual prices generators were paying, or being paid, for net MWh consumed/generated during Start-up. This continues to result in an inaccurate Start-up cost calculation that either over- or under-estimates those costs.

Key Work Activities and Scope

- 1. Education regarding the Start-up cost calculation for generators with a soak process; specific emphasis on Station Service MWh calculation and use of the Station Service Rate in pricing those MWhs
- 2. Explore potential revisions to the Station Service Rate, or alternatives to that rate, to align the rate with actual prices paid, or paid to, generators during start-up

Expected Deliverables

- 1. M15 revisions to reflect any agreed upon revisions in KWA 2

Decision-Making Method

Tier 1, consensus (unanimity) on a single proposal (preferred default option), or Tier 2, multiple alternatives.

Stakeholder Group Assignment

CDS

Expected Duration of Work Timeline

Start discussion ASAP; conclude in 2-3 months.

Start Date	Priority Level	Timing	Meeting Frequency
Click here to enter a date.	<input checked="" type="checkbox"/> High <input type="checkbox"/> Medium	<input checked="" type="checkbox"/> Immediate <input type="checkbox"/> Near Term	<input type="checkbox"/> Weekly <input checked="" type="checkbox"/> Monthly

Issue Charge

<input type="checkbox"/> Low	<input type="checkbox"/> Far Term	<input type="checkbox"/> Quarterly
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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).