



Cost Development Subcommittee Update March 2022

Nicole Scott
Transmission Operations
Sr. Lead Engineer

- Start-up Cost Offer Development
 - PJM package moving through MIC (first read on 3/7)

- VOM Development
 - Two packages have been proposed
 - Working through discussion on packages

NEXT STEPS: One or more packages will be brought to MIC

- Variable Environmental Costs and Credits
 - First read of issue charge at CDS on 3/7

NEXT STEPS: Consensus on issue charge and education

Variable Environmental Costs and Credits

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 elaborate on and provide additional clarification to Market Sellers on rules related to variable environmental charges and/or credits and their inclusion in a cost-based energy offers in accordance with the standards in Manual 15 Cost Development Guidelines and Schedule 2 of the Operating Agreement.

Key Work Activities and Scope

Provide detailed guidance and updates, as necessary, in Manual 15 and Schedule 2 of the Operating Agreement for:

- 1) The annual emissions review process
 - a. Emission costs included in cost-based offers,
 - b. Review period, and PJM review process,
 - c. Coordination with Fuel Cost Policies,
 - d. Submittal of emissions data to PJM and the IMM
- 2) Requirements for the inclusion of environmental credits in non-zero cost-based offers

Expected Deliverables

Expected deliverables include:

- 1) Revisions to Manual 15 Cost Development Guidelines
- 2) Revisions to Operating Agreement, Schedule 2

Jan – Mar

Apr – Jun

Jul – Sep

Oct – Dec

**CDS
2022
Items**

Start-Up Cost Offer Development

VOM Development

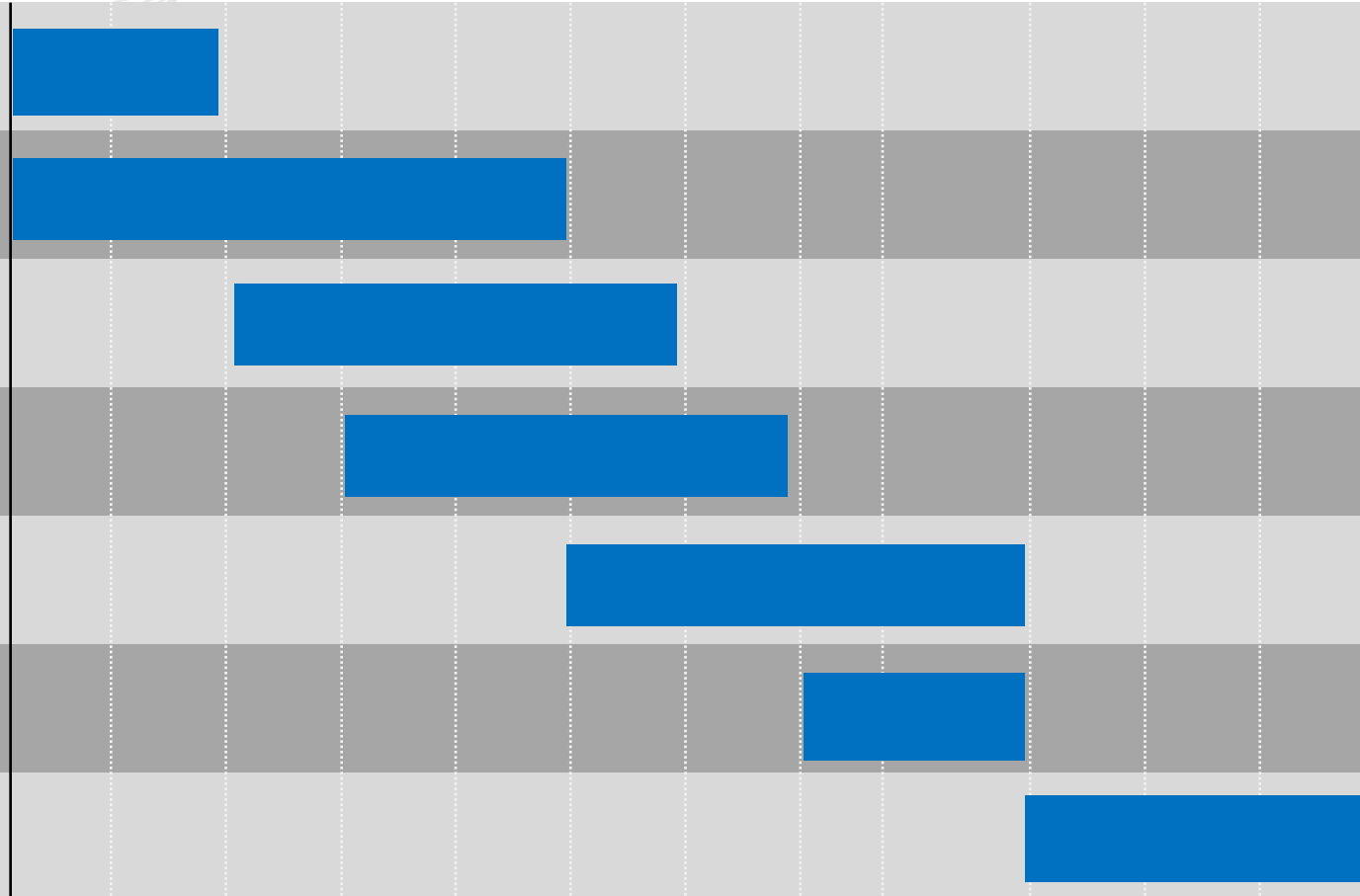
Variable Environmental Costs and Credits

Cost Offer Template

Heat Input Options/Modeling

Bi-annual Manual 15 Review

Pumping Costs



Facilitator:
Nicole Scott, Nicole.Scott@pjm.com

Secretary:
Heather Reiter, Heather.Reiter@pjm.com

Cost Development Subcommittee Update



Member Hotline

(610) 666 – 8980

(866) 400 – 8980

custsvc@pjm.com