

\$1,000 per MWh Offer Caps: MMU Approach

MRC

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Monitoring Analytics

\$1,000 per MWh Cost-Based Offer Caps: MMU

- **Cost-based offers for an individual unit may be greater than \$1,000 per MWh when short run marginal costs of such unit exceed \$1,000 per MWh, including all components of offer.**
- **Market-based or price-based offers for an individual unit must be less than or equal to cost-based offers for such unit when cost-based offers are greater than \$1,000 per MWh.**
- **Cost-based offers greater than \$1,000 per MWh include only short run marginal costs for each component of the offer including start up, no load and incremental costs.**

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- **Cost-based offers must include parameter limited schedules and must have start and notification times that are physically based.**
- **Price-based offers greater than \$1,000 per MWh must include parameter limited schedules and must have start and notification times that are physically based.**
- **Cost-based offers greater than \$1,000 per MWh will not include a ten percent adder or an FMU or AU adder.**

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- **Each participant must have an approved fuel policy in MIRA which defines how gas costs will be determined. Must be algorithmic and auditable.**
- **All such offers will be reviewed after the fact by the MMU.**
- **The MMU will provide a report on the operation of such cost-based offers to PJM members after each season based on actual experience.**

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