



Executive Summary Manual Changes

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| Effective Date | March 2022 |
| Impacted Manual #(s)/Manual Title(s): | |
| M15 Cost Development Guidelines | |
| Conforming Order(s): | |
| N/A | |
| Associated Issue Tracking Title: | N/A |
| Committee Approval Path - What committee(s) have already seen these changes? | |
| CDS – 7/8/2021 MIC First Read – 8/11/2021 MIC Endorsement – 9/9/2021 MRC First Read – 9/29/2021 MRC Endorsement -10/20/2021 MC Endorsement – 11/17/2021 Board Approval – December 2021 | |
| MRC 1st read date: | 9/29/2021 |
| MRC voting date: | 10/20/2021 |
| Impacted Manual sections: | |
| <ul style="list-style-type: none"> • Revised Section 1.7.3 No-Load Cost Definition • Revised Section 1.7.4 Incremental Energy Cost Definition • Consolidate Section 2.1 Heat Rate and Section 2.2 Performance Factor into Section 2.1 Heat Rate Input/Rates and Performance Factors • Revised Section 2.1 Heat Input definition and Heat Input and Incremental Heat Rate equations • Moved Section 2.3 Fuel Cost Policies and Guidelines to Section 2.2 • Revised Section 2.2.3 and 2.2.4 to replace Other Fuel Related Cost with Operating Cost • Created new Section Incremental Energy Cost • Revised Section 2.5.1 No-Load definition, Section 2.5.2 No-load Fuel, and Section 2.5.3 No-Load Calculation • Added Section 2.9 Ten Percent Adder • Consolidated Section 3.1 Nuclear Heat Rate and Section 3.2 Performance Factor into Section 3.1 Nuclear Heat Input/Rate and Performance Factor • Moved Section 3.3 to Section 3.2 • Created New Section 3.3 Incremental Energy Cost • Consolidated Section 4.1 Heat Rate and Section 4.2 Performance Factor into Section 4.1 Heat Input/Rate and Performance Factor | |

- Moved Section 4.3 to Section 4.2
- Revised Section 4.2 to replace Other Fuel Related Cost with Operating Cost
- Created New Section 4.3 Incremental Energy Cost
- Consolidated Section 5.1 Heat Rate and Section 5.2 Performance Factor into Section 5.1 Heat Input/Rate and Performance Factor
- Moved Section 5.3 to Section 5.2
- Created New Section 5.3 Incremental Energy Cost
- Revised Section 5.4 to replace Other Fuel related Cost with Operating Cost
- Revised Section 5.6.3 Equivalent Service Hour (ESH)
- Consolidated Section 6.1 Heat Rate and Section 6.2 Performance Factor into Section 6.1 Heat Input/Rate and Performance Factor
- Moved Section 6.3 to Section 6.2
- Revised Section 6.2.1 to replace Other Fuel Related Cost with Operating Cost
- Created New Section 6.3 Incremental Energy Cost
- Revised Section 6.4 to replace Other Fuel Related Cost with Operating Cost
- Revised Section 6.6.3 Equivalent Service Hour (ESH)
- Consolidated Section 7.1 Pumping Efficiency (Pumped Storage Hydro Only) and Section 7.2 Performance Factor into Section 7.1 Pumping Efficiency (Pumped Storage Hydro Only) and Performance Factor
- Moved Section 7.3 to Section 7.2
- Created New Section 7.3 Incremental Energy Cost
- Consolidated Section 9.1 Heat Rate and Section 9.2 Performance Factor into Section 9.1 Heat Input/Rate and Performance Factor
- Moved Section 9.3 to Section 9.2
- Created New Section 9.3 Incremental Energy Cost
- Consolidated Section 10.1 Heat Rate and Section 10.2 Performance Factor into Section 10.1 Heat Input/Rate and Performance Factor
- Moved Section 10.3 to Section 10.2
- Created New Section 10.3 Incremental Energy Cost
- Consolidated Section 11.1 Efficiency Factor and Section 11.2 Performance Factor into Section 11.1 Efficiency Factor and Performance Factor
- Moved Section 11.3 to Section 11.2
- Created New Section 11.3 Incremental Energy Cost

Reason for change:

Revise the No-Load Cost and Incremental Energy Offer definitions to more clearly define what costs can be included.

Summary of the changes:

Revise Manual 15 Cost Development Guidelines to provide more guidance to Market Sellers on the calculation of their No-Load and Incremental Energy Cost Offers.