

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).