# *[Unit/Company]* Fuel Cost Policy: Wind

*General Instructions:*

*This template was developed by Monitoring Analytics to aid Market Sellers in the development of fuel cost policies that meet the IMM’s standards.*

*This template covers a range of energy cost calculation methods for wind resources. Modifications to this template, including removal of provisions that do not apply, can be made in order to meet specific needs. Modifications will be evaluated by the IMM for consistency with the IMM’s standards.*

*The template contains text in italics and/or brackets that should be completed or that provide clarifying instructions.*

*All costs included in this template must be short run marginal costs. The short run marginal cost of energy is the incremental cost of producing one more MWh of energy.*

*Before submitting the final version of this document, please remove any of the instructions in brackets and the “draft” watermark.*

# Company and Unit Information

Unit Owner: *[Complete with plant owner unless a different company has ownership of the energy, via a PPA or tolling agreement, in which case, complete with buyer entity]*

Unit Operating Company: *[Complete]*

Energy Manager / Marketer: *[Complete with entity responsible for submitting the energy offer, if applicable]*

Market Seller: *[Complete with the PJM Market Seller entity]*

Contact: *[Indicate person(s) responsible for fuel cost policy submission or cost-based offer development. Include name, business address, phone number and email address]*

Units: *[Complete]*

|  |  |
| --- | --- |
| **Unit ID** | **Unit Name** |
| 12345678 | UNIT 1 |

# Fuel Cost Development

There are no fuel costs for wind turbines.

# Emissions

There are no emissions costs for wind turbines.

# Opportunity Costs for Renewable Energy Subsidies

The short run marginal cost for wind powered units may include the opportunity cost of not producing energy and therefore not receiving output related tax credits or the market value of the renewable energy, the available REC price, in $/MWh.

## Production Tax Credits

Year facility construction commenced: *[Specify year and month]*

*[Indicate whether the facility is eligible for and claims the Production Tax Credit and provide supporting documentation. Include in the numerical example spreadsheet the method for determining the Production Tax Credit in $/MWh.]*

## Renewable Energy Certificates (RECs)

State in which facility is located: *[Specify state]*

*[Describe the method for determining the market value of RECs. Include the source for relevant market prices, the MWh available to sell for RECs and the relevant REC program(s), and provide support for each.]*

# Start Costs

*[Describe any nonzero start costs for the unit or indicate that start costs are zero.]*

# No Load Costs

Wind turbines do not have no load costs. The cost based no load for the unit is zero.

# Intraday Offers Optionality

The Market Seller opts to not update offers intraday.

# Documentation

The Market Seller will maintain all documentation needed to verify cost-based energy offers. The documentation may include invoices, contracts, screenshots, instant messages, text messages, emails or recorded phone calls. This information may be requested by PJM or the IMM to verify the development of cost-based energy offers.

# Cost-Based Offer Numerical Example

*[Please provide spreadsheet with numerical example for a recently submitted cost-based offer. Specify date for current units.]*