# *[Unit/Company]* Fuel Cost Policy: Zero Marginal Cost

*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 the cost-based offer calculation method for resources that have cost-based offers of zero for start, no load and incremental costs in both the Day-Ahead and Real-Time Energy Markets. Modifications to this template can be made in order to provide additional background.*

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

*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 |

# Cost Development

The Market Seller has determined that the units covered by this policyhave zero short run marginal production costs for producing energy and starting. The submitted cost offers for starts, no load, and incremental energy will always be equal to zero.

*[A description of the technology and reasons for finding zero costs would be appropriate here.]*