

Opportunity Cost Calculator

Cost Development
Subcommittee

9/4/2025

IMM



Monitoring Analytics

FERC Order

- **Order 192 FERC ¶61,149 (August 14, 2025)**
- **Order directs that the Operating Agreement be amended to require:**
 - **Unit specific inputs, results, and assumptions, and intermediate results be shared with the market seller**
 - **A public posting that describes the models, algorithms and material assumptions, the software used and examples that demonstrate how the models and algorithms work**
 - **PJM and/or the IMM meet with market sellers to discuss specific modeling assumptions and results**

Unit Specific Inputs

- **No changes are need to comply with this directive**
 - **Operating parameters (MIRA, provided by generation owner)**
 - **Cost data (MIRA, provided by generation owner)**
 - **Limitation details (MIRA, provided by generation owner)**
 - **Monitored element 13 month history (MIRA, provided by generation owner)**
 - **Expected outages (MIRA, provided by generation owner)**
 - **LMP history (PJM)**
 - **Fuel price history (S&P Global, proprietary data)**
 - **Fuel price future (S&P Global, proprietary data)**

Results and Intermediate Results

- **Opportunity cost adders posted to MIRA**
- **Intermediate Results**
 - **IMM will post in MIRA a summary of the results that includes:**
 - Number of starts
 - Hours run
 - Binding elements



Unit Specific Assumptions

- **Manual 15, Section 12.7.4**
 - **“hourly operating cost or operating parameters may be adjusted in cases where the unit’s historical offer behavior deviates from the short run marginal cost or the commitment and dispatch of the generator has historically differed from expected economic outcomes”**
- **IMM will update MIRA to inform the market seller if a unit specific assumption is being used and will provide a document detailing the assumption in the documents section of MIRA**
- **No resources currently receiving OC adders have a unit specific assumption**

Public Posting of OCC Details

- **Manual 15, Sections 12.5 and 12.7, has a description of the IMM Opportunity Cost Calculator**
- **IMM will create and post a new document to the Monitoring Analytics website. The document will include:**
 - **Description of the assumptions, algorithm and implementation**
 - **Examples**
 - **A description of the software**



IMM/PJM Meetings with Market Sellers

- **The requirement as stated in the order is already part of the IMM's standard working model and no changes are needed to comply with the directive**



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