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

*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 renewable 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.*

# Opportunity Costs for Renewable Energy Subsidies

The short run marginal cost for renewable energy 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 dollars per 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), frequency of updating the value, 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

The cost based no load for the unit is zero.

# Intraday Offers Optionality

The Market Seller opts to not update offers intraday.

# Cost-Based Offer Numerical Example

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