



MRC Endorsement Variable Operations & Maintenance Costs (VOM) Summary of Proposed Packages

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Variable Operations & Maintenance (VOM) Packages

Proposed Package	Voting Order
Default VOM Package	Main Motion; 80% MIC Endorsement
PJM Package	1 st Alternate Motion; 75% MIC Endorsement
IMM Package	2 nd Alternate Motion; 11% MIC Endorsement, motioned and seconded at April MRC to be voted if the Main and 1 st Alternate fail
RECO Package	3 rd Alternate Motion; Brought forth and motioned and seconded at the June MRC to be voted if the Main, 1 st Alternate, and 2 nd Alternate packages fail

NOT RUN

ACR

Capacity - Avoidable Cost Rates

FIXED

Avoidable costs

- Plant Staff
- Taxes
- Fees
- Insurance
- Carrying Charges
- Fuel Availability

RUN

VOM-M15

Energy - Variable Operations and Maintenance – Manual 15

ONE TO TEN YEARS

Major overhauls and inspections

- CT Hot Gas Path Inspections
- Turbine Overhaul
- Boiler Overhaul
- CT and CC Overhaul & Major Inspection Excluded June 15, 2015

ANNUAL

Annual repairs from operating

- Pump/Valve Repair
- Boiler Tube Leak Repair
- CT Air Filter Replacement

OPERATING DAY

Short run marginal cost

- Short Run Marginal Cost
- Water
- Chemicals
- Consumables

NOT RUN

ACR

Capacity - Avoidable Cost Rates

FIXED

Avoidable costs

- Plant Staff
- Taxes / Fees/ Insurance
- Carrying Charges
- Fuel Availability

RUN

PJM Proposed VOM-M15 or **EIA Default**

Energy - Variable Operations and Maintenance – Manual 15

ONE TO TEN YEARS

Major overhauls and inspections

- CT Hot Gas Path Inspections
- Turbine Overhaul
- Boiler Overhaul
- **CT and CC Overhaul & Major Inspection**

ANNUAL

Annual repairs from operating

- Pump/Valve Repair
- Boiler Tube Leak Repair
- CT Air Filter Replacement

Operating Costs

Energy

OPERATING DAY

Short run marginal cost

- Short Run Marginal Cost
- Water
- Chemicals
- Consumables

NOT RUN

ACR

Capacity - Avoidable Cost Rates

FIXED

Avoidable costs

- Plant Staff
- Taxes / Fees/ Insurance
- Carrying Charges
- Fuel Availability
- Energy Only Resources and units that did not clear can include ACR fixed cost in VOM

RUN

VOM-M15

Energy - Variable Operations and Maintenance – Manual 15

ONE TO TEN YEARS

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- CT and CC Overhaul & Major Inspection

ANNUAL

Annual repairs from operating

- Pump/Valve Repair
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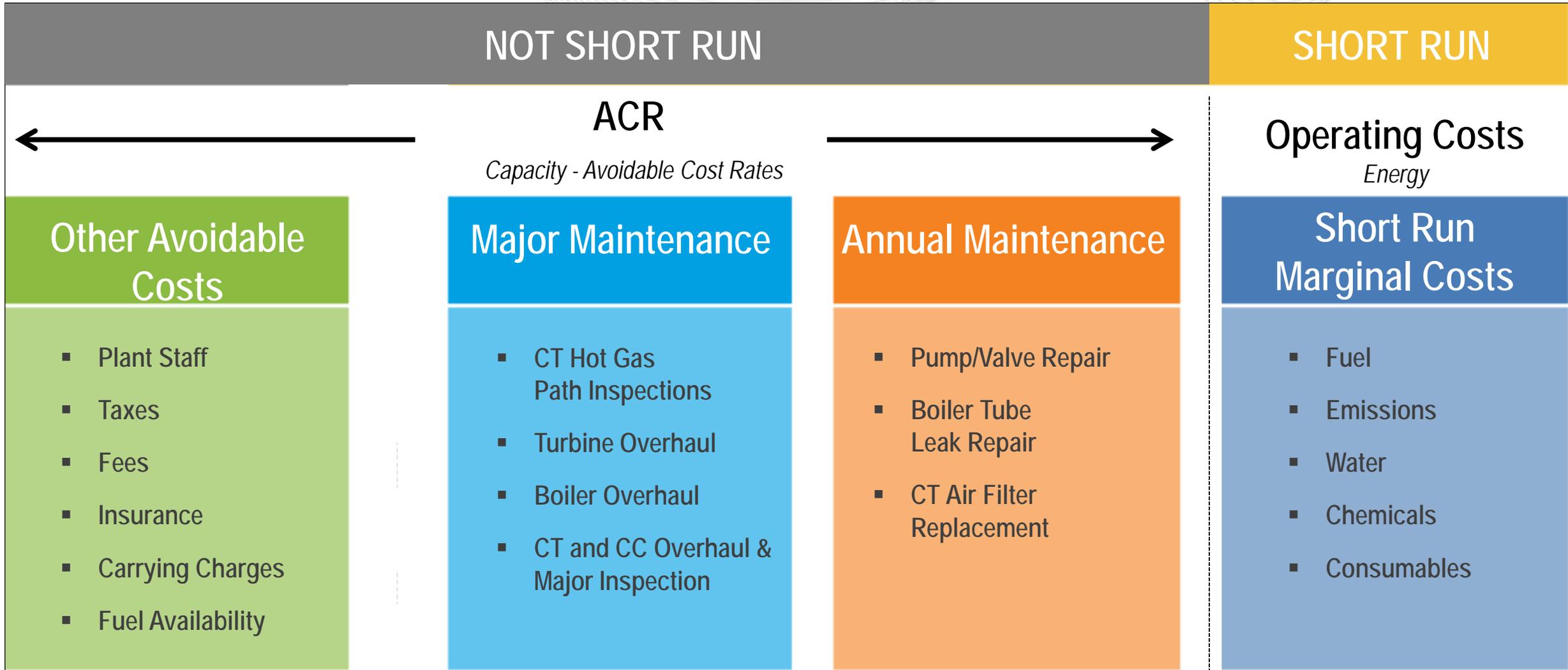
Operating Costs

Energy

OPERATING DAY

Short run marginal cost

- Short Run Marginal Cost
- Water
- Chemicals
- Consumables



NOT RUN

ACR

Capacity - Avoidable Cost Rates

FIXED

Avoidable costs

- Plant Staff
- Taxes / Fees/ Insurance
- Carrying Charges
- Fuel Availability
- Maintenance must be excluded if VOM adder is used in the Energy Market

RUN

VOM-M15 up to Published Cap

Energy - Variable Operations and Maintenance – Manual 15

ONE TO TEN YEARS

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- CT and CC Overhaul & Major Inspection

ANNUAL

Annual repairs from operating

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OPERATING DAY

Short run marginal cost

- Short Run Marginal Cost
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- Consumables

Main Motion Default VOM Package	1 st Alternative Motion PJM Package	2 nd Alternative Motion IMM Package	3 rd Alternative Motion RECO Package
Upon PJM Board approval of M-15 changes	<u>VOM</u> - Upon Board approval of M-15 Changes <u>Fixed Cost</u> - Upon FERC approval of OA changes	30 days after FERC approval of OA and Tariff changes	Upon PJM Board approval of M-15 Manual Changes and FERC approval of OA and Tariff changes

- MRC endorsement – 7/26/2018
- MC endorsement Tariff & Manual 15– 7/26/2018
- Board approval Manual 15 – 7/31/2018