



Variable Operations & Maintenance (VOM) Template



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- VOM Estimated Costs Tab
 - For generating units using estimated costs for the current year to calculate maintenance adder
- VOM Actual Costs Tab
 - For generating units using actual costs from the previous year to calculate maintenance adder

- What can be included?
 - Only expenses incurred as a result of electric production qualify for inclusionExamples:
 - Employee Overtime
 - Contractor Fees
 - Water, Chemicals, and Consumables
- What cannot be included?
 - General rule of thumb: Any costs included in a generating unit's ACR CANNOT be included in their maintenance adder
 - Any fixed cost that must be expended, even if the generating unit did not produce any MWs during the year

Total Historical Maintenance Cost:

- A unit may choose a 10-year or 20-year period for maintenance cost. Once a unit has chosen the historical period length, the unit must stay with that period until either:
 - A significant unit configuration change, or
 - A change in ownership necessitating a new Interconnection Service Agreement (ISA)
- Handy Whitman Escalation Index is used to account for inflation
- A unit may chose to report hourly maintenance cost in per MWh, mmBTU, or Hours

- **Immature Units** - are units with neither 10 years of operation nor 50,000 Operating Hours
- Immature Units must indicate to PJM the methodology used to calculate estimated historical maintenance costs. Potential sources:
 - Information from OEM
 - Industry average
 - Monitoring Analytics' PJM State of the Market Report
 - Information from Sister Unit(s)
- Market Seller may submit a methodology source not listed in Manual 15, per Section 1.8, for PJM approval

- Generating Units with \$0 Maintenance Adder:
 - Do not need to fill out the template
 - Must notify PJM, via email, that no Maintenance Adder is used
 - Email: FuelCostPolicyAnalysis@pjm.com

- VOM Template: <http://pjm.com/markets-and-operations/energy/fuel-cost-policies.aspx>
- Manual 15, Section 2.6
- OATT ATTACHMENT DD.6.8