

## VOM Packages Summary

Highlighted cells indicate components that match the Main Motion

| Key Points                                                          | Main Motion<br>EIA Defaults                                                                                                               | 1st Alternative Motion<br>PJM                                                                                                             | 2nd Alternative Motion<br>IMM                                                                                                                                                                                                                                                                                                                                                                                                | 3rd Alternative Motion<br>RECO                                                                                                                                                                                                                                                                                                                                                                                  |
|---------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Operating Costs</b>                                              | Allowable operating costs include lubricants, chemicals, Limestone, Trona, Ammonia, acids, caustics, water injection, and demineralizers. | Allowable operating costs include lubricants, chemicals, Limestone, Trona, Ammonia, acids, caustics, water injection, and demineralizers. | The variable operations costs are the short run marginal expenses for consumables, other than fuel, to generate the next increment of power, including water, water chemistry, emission control reagents, and lubricants.<br><br>Other terms in M15 that resemble operations costs, such as other fuel related costs, incremental parameter adjustment, VOM should be deleted and consolidated as variable operations costs. | Variable operations cost consists of consumables, other than fuel, to generate the next increment of power, including water, water chemistry, emission control reagents, and lubricants.                                                                                                                                                                                                                        |
| <b>Incremental Maintenance</b>                                      | Maintenance cost incurred as a result of electric production can be included in start costs, no-load, and/or incremental energy offer.    | Maintenance cost incurred as a result of electric production can be included in start costs, no-load, and/or incremental energy offer.    | Remove from cost-based energy offers.                                                                                                                                                                                                                                                                                                                                                                                        | Maintenance costs can be included in either the capacity offer or incremental energy offer. If included in the incremental energy offer, no maintenance costs can be included in the capacity offer and only maintenance costs (\$/MWh) up to the VOM limit by fuel type specified in M-15 can be included. VOM limits by fuel type in M-15 will be updated every two years using the BLS Producer Price Index. |
| <b>CT &amp; CC Major Inspection &amp; Overhauls</b>                 | Can be included in either Energy or Capacity Offer                                                                                        | Can be included in either Energy or Capacity Offer                                                                                        | Status Quo. Not includable in cost-based energy offers.                                                                                                                                                                                                                                                                                                                                                                      | Can be included in either the capacity offer or incremental energy offer up to VOM limit by fuel type                                                                                                                                                                                                                                                                                                           |
| <b>VOM Defaults</b>                                                 | EIA new build VOM defaults can be used in lieu of actual history                                                                          | SOM defaults can be used in lieu of actual history. Operating Costs = \$0 if SOM default used.                                            | Benchmark for short run marginal costs provided by the MMU.                                                                                                                                                                                                                                                                                                                                                                  | VOM limits by fuel type in specified in M-15                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Labor</b>                                                        | Only staff overtime or contractor labor associated with incremental maintenance can be included.                                          | Only staff overtime or contractor labor associated with incremental maintenance can be included.                                          | Remove from cost-based energy offers.                                                                                                                                                                                                                                                                                                                                                                                        | Can be included in the capacity offer or incremental energy offer up to VOM limit by fuel type                                                                                                                                                                                                                                                                                                                  |
| <b>FERC Accounts</b>                                                | Can be used minus straight time labor                                                                                                     | Can be used minus straight time labor                                                                                                     | FERC accounts are not needed. Remove FERC account references from M-15.                                                                                                                                                                                                                                                                                                                                                      | Can be included up to VOM limit by fuel type                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Cyclic Starting and Peaking Factors</b>                          | Status Quo                                                                                                                                | Status Quo                                                                                                                                | Remove cyclic starting and peaking factors from M-15.                                                                                                                                                                                                                                                                                                                                                                        | Cyclic Starting and Peaking Factors can not be used                                                                                                                                                                                                                                                                                                                                                             |
| <b>Immature Units</b>                                               | First Year - EIA Defaults Second Year - Actual History or EIA Default                                                                     | First Year - SOM Defaults Second Year - Actual History or SOM Default                                                                     | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                               | Use VOM limits by fuel type specified in M-15                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Energy Only and units that did not clear in capacity auction</b> | No Fixed Costs in Energy Offer - Friendly Amendment June MRC                                                                              | Fixed Costs can be included in Energy Offer                                                                                               | No Fixed Costs in Energy Offer                                                                                                                                                                                                                                                                                                                                                                                               | No Fixed Costs in Energy Offer                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>M-15 Manual Changes</b>                                          | Yes                                                                                                                                       | Yes                                                                                                                                       | Yes                                                                                                                                                                                                                                                                                                                                                                                                                          | Yes                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>OA Changes</b>                                                   | No                                                                                                                                        | Yes                                                                                                                                       | Yes                                                                                                                                                                                                                                                                                                                                                                                                                          | Yes                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Tariff Changes</b>                                               | No                                                                                                                                        | No                                                                                                                                        | Yes                                                                                                                                                                                                                                                                                                                                                                                                                          | Yes                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Implementation</b>                                               | Upon Board approval of M-15 Manual Changes                                                                                                | VOM - upon Board approval of M-15 Changes<br>Fixed Cost - upon FERC approval of OA changes                                                | 30 days after FERC approval of OA and Tariff changes                                                                                                                                                                                                                                                                                                                                                                         | See above. If no tariff or OA changes necessary, upon approval of M-15 Manual changes.                                                                                                                                                                                                                                                                                                                          |