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| Effective Date | August 2018 |
| Impacted Manual #(s)/Manual Title(s): | |
| Manual 15: Cost Development Guidelines | |
| Conforming Order(s): | |
| None | |
| Associated Issue Tracking Title: | MIC: VOM |
| Committee Approval Path - What committee(s) have already seen these changes? | |
| MIC 4/4/18 MRC First Read 4/19/2018 MRC Vote 5/24/2018 MC Tariff & M15 6/21/2018 Board Approval August 2018 | |
| MRC 1st read date: | 4/19/2018 |
| MRC voting date: | 5/24/2018 |
| Impacted Manual sections: | |
| Section 2, 3,4,5,6,7, &9 | |
| Reason for change: | |
| Problem Statement and Issue Charge through the Stakeholder Process to determine what maintenance cost components should be included in a unit's cost-based offer. | |
| Summary of the changes: | |
| <ul style="list-style-type: none"> – Only actual maintenance costs attributed to running the unit and directly tied to electric production can be included in a unit's incremental energy offer. <ul style="list-style-type: none"> • CT and CC major inspection, overhaul and LTSA cost can be included • Capacity units cannot include ACR fixed cost (i.e. normal labor & maintenance not tied to running) • Energy Only Resources and units that did not clear in the Delivery Year auctions can include ACR fixed cost • FERC Accounts minus labor cost can be included | |

- Remove fixed Title V and emissions fees
- Immature units can use existing history (less than 10 years) or defaults
- Operating costs can be included in a unit's incremental energy offer but not its VOM.
 - Allowable operating costs include lubricants, chemicals, Limestone, Trona, Ammonia, acids, caustics, water injection, and demineralizers.
 - Market Sellers will be allowed to include additional operating costs via the 1.8 exception process. Acceptable items will be added to M15 during the biennial revision.
- Allow resources to utilize either actual maintenance costs attributed to running the unit and directly tied to electric production in a unit's incremental energy offer (PJM Package) or a default value published by the U.S. Energy Information Administration (EIA).
 - Resource class specific default Unit Variable O&M values that cannot be exceeded from EIA build data.
 - If EIA no longer publishes new-build data for a class of resource, the existing unit may utilize annual scalars (e.g. Handy Whitman Index) applied to the last EIA published data to represent an updated default value.