



April 27, 2023

DEFAULT VOM ADDERS FOR MINOR MAINTENANCE AND OPERATING COSTS

Default values for minor maintenance and operating costs are listed, by technology type, in the table below.

Because market sellers have current VOM adders that are approved and effective through December 31, 2023, these default adders are only to be used starting January 1, 2024 through December 31, 2024.

For immature units, please note that the Operating Cost Default values listed here replace the use of State of the Market values published by the IMM.

Default VOM Values for use starting January 1, 2024

| VOM Technology Type | Minor Maintenance Default (\$/MWh) | Operating Cost Default (\$/MWh) |
|---------------------------------|---|--|
| Combined Cycle | \$ 1.13 | \$ 0.46 |
| Simple Cycle Combustion Turbine | \$ 4.14 | \$ 0.86 |
| Reciprocating Engine | \$ 4.64 | \$ 1.87 |
| Fossil Steam | \$ 1.97 | \$ 3.31 |



Appendix 1

VOM Defaults were calculated in early 2022. Data from the most recent VOM templates, submitted in 2021, was used. Expense and cost data was through the end of 2020. Handy Whitman escalation factors from 2021, published on PJM.com in March 2021, were applied to historic expenses and costs to escalate all values to 2021-equivalent dollars.

2021 Handy Whitman Escalation Factors used to escalate historical data

| YEAR | INDEX | ESCALATION FACTOR |
|-------------|--------------|--------------------------|
| 2002 | 438 | 1.825 |
| 2003 | 441 | 1.812 |
| 2004 | 465 | 1.719 |
| 2005 | 493 | 1.621 |
| 2006 | 515 | 1.552 |
| 2007 | 546 | 1.464 |
| 2008 | 596 | 1.341 |
| 2009 | 578 | 1.383 |
| 2010 | 604 | 1.323 |
| 2011 | 631 | 1.267 |
| 2012 | 645 | 1.239 |
| 2013 | 653 | 1.224 |
| 2014 | 672 | 1.189 |
| 2015 | 700 | 1.142 |
| 2016 | 714 | 1.119 |
| 2017 | 711 | 1.124 |
| 2018 | 745 | 1.073 |
| 2019 | 760 | 1.052 |
| 2020 | 779 | 1.026 |
| 2021 | 799 (est) | 1.000 |

The initial analysis yielded the following results, reported in 2021 dollars. These values are in the Operating Agreement and filed with FERC. These values will be escalated each year using the 2021 factor from the most recent Handy Whitman escalation factor table published on pjm.com.

Initial VOM Defaults

| VOM Technology Type | MM Default (\$/MWh) | OC Default (\$/MWh) |
|---------------------------------|----------------------------|----------------------------|
| Combined Cycle | \$ 0.98 | \$ 0.40 |
| Simple Cycle Combustion Turbine | \$ 3.59 | \$ 0.75 |
| Reciprocating Engine | \$ 4.03 | \$ 1.62 |
| Fossil Steam | \$ 1.71 | \$ 2.87 |