

## Variable Maintenance Operations Cost

	Consensus Design Criteria (or	Consensus Importance Level	April 2011 CDS Brainstormed Potential Component Solutions			
			A	B	C	D
1	A Clear definition of VOM should be developed.	High	Cost categories should include 1) short term consumables, 2) long capital costs, 3) major component replacement/capital projects.	Cost categories should include 1) short term marginal cost 2) annual avoidable, 3) long term fixed.	Electric production non-fuel related costs and expenses resulting from unexpected equipment failures considering accepted life cycles and average failure rates.	
2	A preferred method for determining VOM should be adopted	High				
3	Provides for a smooth transition to a new method	High				
4	Create a clear procedure for calculation of VOM Costs	High				
5	Procedures distinguish among clearly defined categories of costs.	High				
6	Addresses Capital versus Expense accounting practices	Medium				
7	Procedures and practices should be flexible enough to accommodate reasonable accounting practices of the resource's owner	Medium				

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8	A simple method available as an alternative	Low				
9	Development of a clear calculation procedure so that the VOMcalculated by the MMU and by market participants are the same number.	High				
10	Procedures can accommodate units under Long term Service Agreements.	Medium				