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| VCMRR Number | [047](https://www.ercot.com/mktrules/issues/VCMRR047) | VCMRR Title | Related to NPRR1314, Planning Guide Glossary Transition |
| Date Posted | | December 16, 2025 | |
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| Requested Resolution | | Normal | |
| Verifiable Cost Manual Sections Requiring Revision | | 9.3.1, Conditions Applicable to all types of Resources  9.3.4, Maintenance Period Conditions | |
| Related Documents Requiring Revision/Related Revision Requests | | Nodal Protocol Revision Request (NPRR) 1314, Planning Guide Glossary Transition  Planning Guide Revision Request (PGRR) 139, Related to NPRR1314, Planning Guide Glossary Transition | |
| Revision Description | | This Verifiable Cost Manual Revision Request (VCMRR) removes the association between the term “long-term service agreement” and the acronym “LTSA” which, in Planning Guide Section 2.2, Acronyms and Abbreviations, represents the term “Long-Term System Assessment”. | |
| Reason for Revision | | [Strategic Plan](https://www.ercot.com/files/docs/2023/08/25/ERCOT-Strategic-Plan-2024-2028.pdf) Objective 1 – Be an industry leader for grid reliability and resilience  [Strategic Plan](https://www.ercot.com/files/docs/2023/08/25/ERCOT-Strategic-Plan-2024-2028.pdf) Objective 2 - Enhance the ERCOT region’s economic competitiveness with respect to trends in wholesale power rates and retail electricity prices to consumers  [Strategic Plan](https://www.ercot.com/files/docs/2023/08/25/ERCOT-Strategic-Plan-2024-2028.pdf) Objective 3 - Advance ERCOT, Inc. as an independent leading industry expert and an employer of choice by fostering innovation, investing in our people, and emphasizing the importance of our mission  General system and/or process improvement(s)  Regulatory requirements  ERCOT Board/PUCT Directive  *(please select ONLY ONE – if more than one apply, please select the ONE that is most relevant)* | |
| Justification of Reason for Revision and Market Impacts | | Alignment between the Protocols and Guides is necessary and proper. | |

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| Market Segment | Not Applicable |

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| Proposed Verifiable Cost Manual Language Revision |

***9.3.1 Conditions Applicable to all types of Resources***

(1) All O&M costs must be incremental; that is, they may not include fixed or capital costs.

(2) Submitted O&M documentation must be Resource specific. Exceptions may be granted for Combined-Cycled Resources on a case-by-case basis.

(3) O&M costs must not include fuel costs.

(4) Both individual component costs and the final aggregated O&M values must be clearly detailed and shown as $/start or $/MWh, as applicable.

(5) Maintenance costs are to be calculated taking into account all available maintenance history (limited by the number of years in a maintenance period where applicable) regardless of unit ownership.

(6) Filing Entities must submit operating costs (including water, chemical, emission credits, consumables, etc.) per-start ($/start) and per hour of operation at LSL ($/MWh).

(7) Filing Entities that include water consumption as part of their operating costs must include documentation indicating the number of gallons used and the output level and duration of operation during which the water was used. The price(s) paid for water ($/gal) must also be documented and submitted.

(8) Filing Entities including emission credits as part of their operating costs must provide ERCOT a description of the credits and the methodology used to allocate their costs to O&M.

(9) All consumables included in O&M must be clearly documented and include both the quantities used and prices paid.

(10) Filing Entities must provide a description of all components included as operating costs and the reason for their inclusion.

(11) If a Filing Entity feels that a unit modification or required change in operating procedures will affect the unit's maintenance cost, revised maintenance costs must be submitted to ERCOT for approval.

(12) A Filing Entity may submit only one value ($/MWh) for the O&M cost of operation at LSL.

(13) A Filing Entity may submit only one single average value ($/MWh) for the O&M cost of operation above LSL.

(14) A Filing Entity with a currently effective Long Term Service Agreement Contract for the overhaul and maintenance work on a Resource or specific components of a Resource may include the costs described within that long-term service agreement as Verifiable O&M costs if the following conditions are met:

(a) The maintenance costs to be included are incremental costs and are otherwise consistent with the definitions and uses of those costs within this Manual.

(b) A dollar value for each component of the variable maintenance costs is specifically set by the long-term service agreement.

(c) Cost curves showing variable O&M values versus time are submitted.

(d) ERCOT can verify the incremental or variable maintenance costs ($/MWh) or ($/start) in the long-term service agreement.

(e) Long-term service agreement contracts must be submitted directly to ERCOT for review and approval and must be currently effective.

***9.3.4*** ***Maintenance Period Conditions***

(1) When calculating maintenance costs, a 10-year historical period should be used with the exception of Resources with Long-Term Service Agreements. Resources with a Long-Term Service Agreement may submit their maintenance costs based on projected amounts for the components covered by the long-term service agreement. If data are not available for the previous 10 years, then the length of the maintenance period is the length of time for which the data are available. Filing Entities may determine maintenance costs on an annual basis and then normalize them for the entire 10 year (or less) maintenance period. In addition, Filing Entities must utilize the Cost Escalation Factors derived by ERCOT, to escalate historical maintenance costs to present value.

(2) ERCOT will assess all submitted O&M costs for reasonability. When making this assessment for submissions with a maintenance period less than 10 years, ERCOT will consider Original Equipment Manufacturers (OEM) recommendations and similar Resources’ costs.