

**Portland General Electric Comments**  
**On CASIO Variable Operations and Maintenance Cost Review**

Submitted by Aaron Rodehorst, [aaron.rodehorst@pgn.com](mailto:aaron.rodehorst@pgn.com), and Johnny Useldinger,  
[johnny.useldinger@pgn.com](mailto:johnny.useldinger@pgn.com)

Portland General Electric Company (“PGE”) appreciates the opportunity to provide comments on the California Independent System Operator’s (“ISO”) review and changes to their default Variable Operations and Maintenance (“VOM”) costs. PGE appreciates the ISO’s efforts to review current VOM costs, but PGE believes more work is needed by the ISO to clearly define VOM and explain the reasons for the significant changes in VOM that are proposed by the ISO.

PGE shares the concerns voiced by other entities at the January 9<sup>th</sup> stakeholder meeting and asks the ISO for the following:

- A formal definition of VOM costs in CAISO’s tariff or Business Practice Manual.
- The ISO’s reasoning for excluding “Other Maintenance” costs from VOM and direction for how market participants should account for “Other Maintenance” costs in their bid submittals.

While the rationale for removing major maintenance costs from VOM is documented and established, it is unclear why the category “Other Maintenance” is excluded from the ISO’s VOM review. This category does include costs that are attributable to wear and tear and should be considered variable. During the January 9, 2019 call the ISO appeared to recommend that market participants would need to enter the negotiated default energy bid process to account for the “Other Maintenance” category. If this is indeed the case, it seems likely that the ISO is establishing a VOM construct that will result in considerably more negotiated default energy bids. If this is the ISO’s intent, it should make that clear during this VOM review.

- The intended timeline for implementation of the new VOM.

PGE would recommend that the ISO provide another preliminary report incorporating stakeholder feedback and answering outstanding questions prior to the ISO issuing a final report and filing tariff changes.