

Black Start Service Revenue Requirements for New Units

Issue Source

PJM

A number of new units have recently entered Black Start Service as a result of the RTO Wide RFP in 2013. Schedule 6A of and attachment M-Appendix to PJM's Open Access Transmission Tariff (OATT) defines the rule for determining a black start unit's Annual Revenue Requirement. The current tariff language ~~sets explicit deadlines for the unit owner cost submittals, IMM review, and PJM acceptance~~ defines the review process for the existing black start units' annual revenue recalculation in May. However, the language does not explicitly define the review process ~~or the timing of the review~~ for the black start costs of new units entering Black Start Service outside the annual revenue recalculation period.

Stakeholder Group Assignment

This issue concerns the development and initial review of a new black start unit's capital costs and annual revenue requirement, therefore it is recommended to be worked at the Market Implementation Committee.

Key Work Activities

Stakeholder discussions of the process for developing ~~and reviewing~~ the annual revenue requirement review process for new units entering Black Start Service outside the annual revenue calculation period in May. Key work activities could include but are not limited to;

- 1) Development of Tariff language
- 2) Development of manual language
- ~~2~~3) Adding transparency on billing adjustments
- ~~3~~4) Development of alternative billing strategies to minimize the impact of large billing corrections when new units enter Black Start Service.

Expected Deliverables

- 1) Schedule 6A tariff and Attachment M-Appendix language that define the cost review process ~~and timing~~ for new black start units that enter Black Start Service outside of the annual revenue recalculation period.
- 2) Updates to Manual 12 or Manual 14D language as required.

Expected Overall Duration of Work

The overall duration of the work is estimated to be 6 months..

Decision-Making Method

Tier 1, consensus (unanimity) on a single proposal preferred default option.