

System Restoration Strategy Task Force

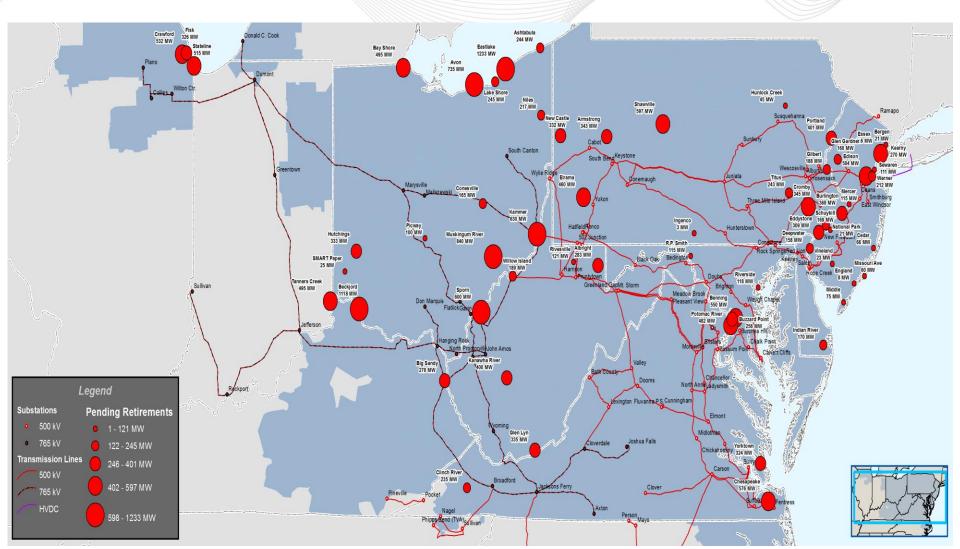
Chantal Hendrzak

MRC

February 28, 2013



Generation Retirements



2

PJM TEAC 02/07/2013





NERC CIP Requirements

Cross zonal optimization

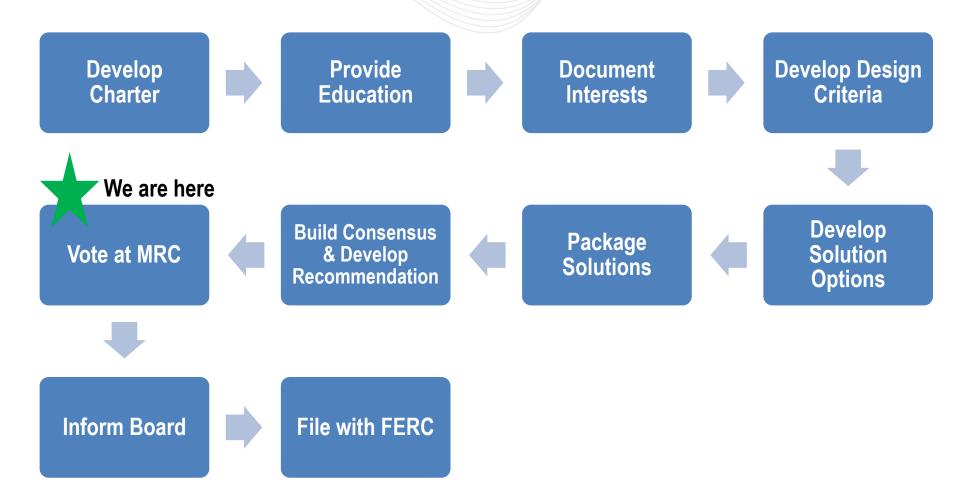
Aging Infrastructure
/ Refurbishment
Costs

Federal & State
Environmental Legislation
(e.g. Mercury & Air Toxics
Standards - MATS)

Black Start Units NJ High Electric Demand Day (HEDD)

Less effective RFP Replacement Process







- All 24 design components have reached consensus
- Key components of the proposed Strategy

Component	Benefit
Critical Load Definition	Change in deployment of Black Start generation will allow about 70,000 MW of generation capacity to be cranked in 4 hours.
Black Start Definition	Additional 64,000 MW of potential Black Start resources eligible.
Cross-zonal Coordination	Increases available Black Start resources. More efficient use of existing Black Start resources.
5 Year Selection Process	Allows for selection of best available Black Start option to meet critical load requirements



Seeking endorsement of Task Force's Proposed System Restoration Strategy as contained in updated:

- Manual-14D Generator Operational Requirements
- Manual-12 Balancing Operations
- Manual -36 System Restoration
- OATT Schedule 6A Black Start Service
 - Paragraphs 4, 5, 6, & 7



PJM / IMM Proposal to MRC for a first-read (1/31)

Task Force to work towards consensus on one proposal during February meetings (2/15, 2/22)

Task Force developing final report, manual and OATT language changes before February MRC

- Task Force to discuss cost-allocation and compensation changes required to support the strategy (completed but TF would like more time to discuss while seeking endorsement of strategy to enable long lead-time process to begin)
- Task Force Proposal seeking endorsement at February MRC (2/28)
- Task Force to design cost allocation and compensation required changes

2013 Restoration Milestones

Q3

- Q1
- •MRC Approval of System Restoration Strategy
- TF determines changes to compensation / cost allocation
- Develop a plan for State Outreach

- Issue Black Start RFPs for RTO region (~July)
- Anticipated FERC approval of OATT changes
- •Fall Restoration Drill (existing Restoration Plans)

2013 Restoration Milestones

Q2

- •File OATT changes with the FERC, *inclusive* of compensation / cost allocation
- Stakeholder approval of Manual changes
- Validate Critical Load with TOs
- Develop Black Start RFPs with TOs
- •Share new System Restoration Strategy with states

Q4 '13 - 2014

- Analysis of RFP responses
- Award of RFPs & Adjustment of Affected Restoration Plans
- •Communicate RFP awards to States