



# System Restoration Strategy Task Force

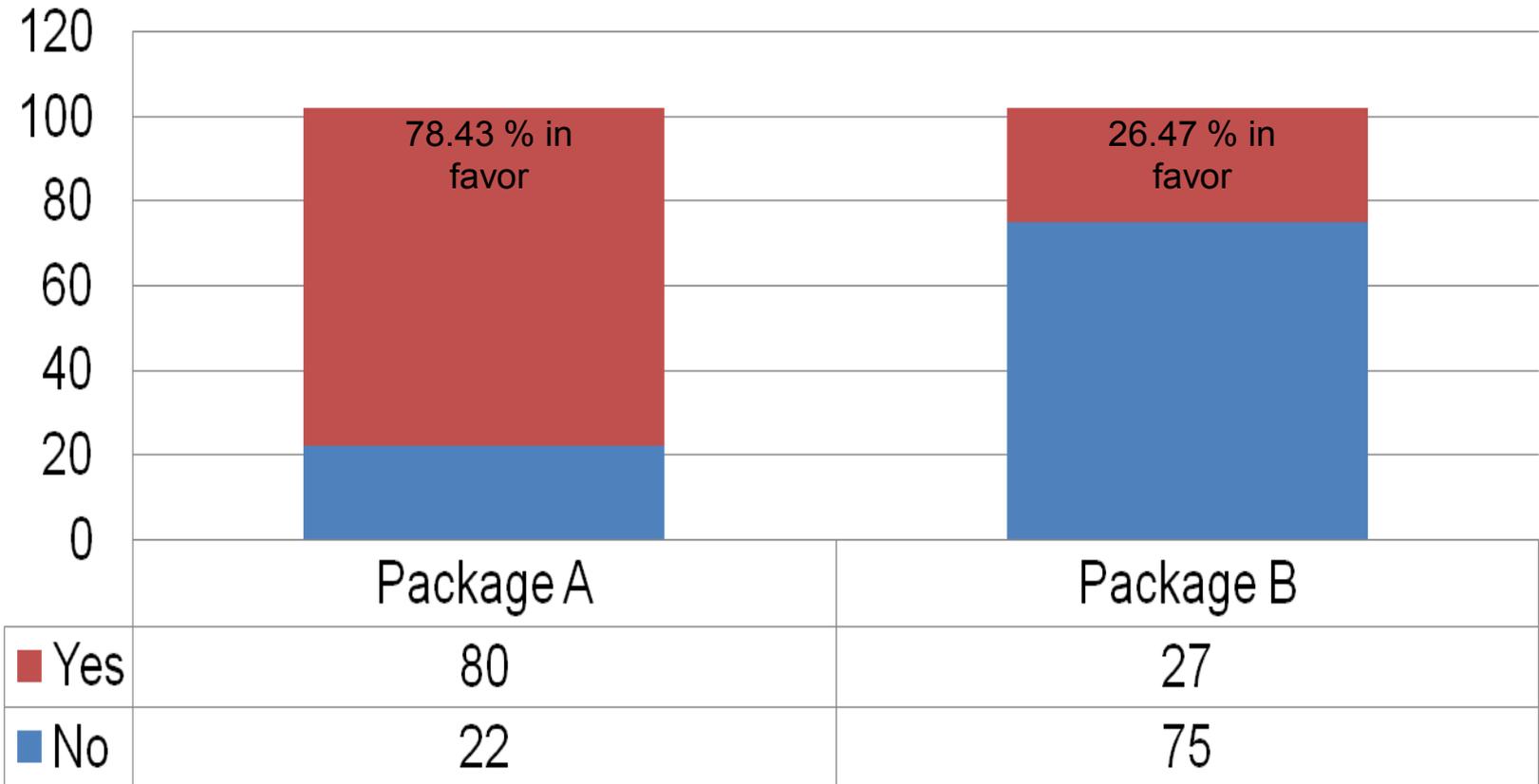
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MRC  
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Due to industry developments such as new environmental regulations, NERC CIP standards and increasing cost of Black Start generation, PJM foresees a potential future reliability issue with the current method of System Restoration Planning.

**This Task Force will examine the current System Restoration Planning process to determine its viability and efficiency moving forward and recommend any changes to the System Restoration strategy and associated procurement, cost allocation, and compensation methods resulting from the recommended changes to the MRC for approval.**

		Package A	Package B
25	Cost Allocation		
25a	Cross Zonal Level 1 - Nominated BS Unit in External TO Zone	Develop Annual Revenue Requirement for External TO (TO where BS is located) for NERC-CIP and other capital cost recovery incremental to providing BS in Schedule 6A.	
		Use existing Capital Recovery Factors for external TO capital costs with 5 year recovery period.	Use existing Capital Recovery Factors for external TO capital costs based on asset life.
		External TO recovers actual incremental O&M costs for Cross Zonal Coordination	
		Use existing Generator Cost Approval Process in Schedule 6A for TO incremental costs (IMM reviews and approves all costs).	
		The external TO receives any capital recovery that would have an incentive factor (z factor) of zero, consistent with the formula rate for generation today.	
25b	Cross Zonal Level 2 - BS Unit Shared by more than one TO Zones	Allocate Unit Annual BS revenues to each zone by critical load percentage served by that unit.	
25c	Cross Zonal Level 3 - Partial or Complete Aggregation of TO Zones for BS	<p><b>Full aggregation of TO Zone:</b> Allocate aggregated TO Zones units' annual BS revenues to each zone by critical load percentage within each zone.</p> <p><b>Partial aggregation of zones:</b> Allocate aggregated region units' annual BS revenues to respective TO by critical load percentage within the aggregated</p>	



## *Should the Task Force discuss Black Start compensation more broadly?*

- E.g. Black Start Unit compensation
- E.g. Incentive factors on Black Start capability and performance