



DRAFT Meeting Minutes
PJM Interconnection
Black Start Service Working Group Meeting
Conference Call / WEBEX
October 20, 2009
1:00 P.M. EDT

Members Present:

David Pratzon	Exelon Generation Co., LLC
Hal Siegrist	Mirant Potomac River, LLC
David Scarpignato	Old Dominion Electric Cooperative
Mike Bryson, Chair	PJM Interconnection
David Schweizer, Secretary	PJM Interconnection
Rob Eckenrod	PJM Interconnection

Members Present via Conference Call:

Chris Norton	AMP Ohio
Bruce Fleeger	Allegheny Power
Bob Pleiss	Constellation Energy Commodities Group, Inc.
Jeff Whitehead	Customized Energy Solutions, Ltd.
Jimmy Lew	Exelon Generation Co., LLC
Pat Espisito	NRG Power Marketing, LLC
Rod Miller	PPL Generation, LLC
Ted Summers	PSEG Energy Resources and Trading, LLC

1. ADMINISTRATION

- A. BSSWG approved agenda for this meeting.
- B. BSSWG approved minutes from 6/16/09 meeting.

2. SUMMARY OF 2009 WORKING GROUP ACTIVITIES:

- A. Mr. Bryson reviewed BSSWG activities as outlined in the document “Black Start Service Working Group – 2009 FERC Filing Chronology.”



3. SUMMARY OF 9/17/09 FERC ORDER:

Summary of 9/17/09 FERC Order included in the document “*Black Start Service Working Group – 2009 FERC Filing Chronology.*”

4. OPEN ISSUES:

- A. Mirant Presentation – Mr. Siegrist reviewed the Mirant presentation outlining the following Mirant proposals for BSSWG to consider:
- 1) Formula Rate – Clarify capacity definition
 - a) Change term in Fixed BSSC from Black Start Unit Capacity to Black Start unit rating – confirm how this relates to CDR
 - b) Define Black Start unit rating as net MW output of the black start unit deliverable for black start service as documented by the owner.
 - c) BSSWG in alignment that this proposal is a change to BSSWG Charter scope.
 - 2) Formula Rate - Automated Formula Rate Adjustments
 - a) CONE changes annually on June 1st. PJM should automatically recalculate the CONE adjustment and apply new rates effective 6/1.
 - b) PJM should notify unit owners of new rate 5/1.
 - c) BSSWG in alignment that this proposal is a BSSWG clarification / mechanics issue and not a change to BSSWG Charter scope.
 - 3) CIP Costs – Additive to existing rates – key issue/concern of Mirant
 - a) Make NERC CIP compliance costs additive to either the Fixed BSSC or CRF rates
 1. Mirant (and Exelon) believed black start units could use exiting formula rate and CIP capital costs would be incremental, and the result is not what they thought they were voting for.
 2. PJM position was that because the z factor included a CIP cost component, revising historic Fixed BSSC to include CIP costs would not be necessary. This may need to be rejustified.
 3. Questions remain about whether this is a “recertification” or a “resubmission” – PJM intent was for it to be a resubmission, however tariff language implies that



you can only get credit for CIP costs if you go through whole recertification process – ie. you can't just apply it to paragraph 5 of Schedule 6A.

4. PJM will confirm how FERC responded to Mirant's previous protest related to this issue. PJM couldn't make changes earlier because the BSSWG previously approved Tariff revisions, but working group could now go back and re-address.
 5. Only concern is with capital component, not variable costs.
 6. BSSWG in alignment that this item is in Charter scope, but possibly not complete and BSSWG may need to validate and update MIC.
- 4) 2 year rolling commitments
- a) Restore 2 year commitment period for all black start units being compensated under BSSC, CRF or FERC approved recovery rates.
 - b) Units that withdraw from the black start service prior to fulfilling their full CRF term will forfeit any unpaid CRF payments.
 - c) BSSWG in alignment on intent of 2 year rolling commitments and that it may be better to acknowledge that this issue is more about semantics, so this issue may not need to be addressed further.
- 5) Eliminate Accelerated CRF refund for FERC rates
- a) FERC should evaluate the CRF rate structure based on black start rules
 - b) PJM to look back at Mirant protest to see if FERC addressed and it may be necessary to make minor adjustment to language to clarify.

Summary of BSSWG alignment on next steps to address five items proposed by Mirant:

1. Formula Rate	Change in Charter scope
2. Automated Formula Rate Adjustments	BSSWG clarification / mechanics issue – not a scope change
3. CIP Costs – Additive to Existing rates	BSSWG in alignment that this item is in Charter scope, but possibly not complete and BSSWG may need to validate and update MIC.



4. 2 year rolling commitments	BSSWG in alignment on intent of 2 year rolling commitments and this issue does not need to be addressed further.
5. Eliminate Accelerated CRF refund for FERC rates	PJM to look back at Mirant protest to see if FERC addressed and it may be necessary to make minor adjustment to language to clarify.

B. Other

- 1) BSSWG in alignment that it would be prudent to raise these issues to MIC and revise Charter scope if appropriate, but stressed the importance of keeping the overall tariff language consistent with the original intent.
- 2) No other proposals were introduced by the working group.

5. MIC UPDATE

A. Charter closeout or scope change discussion.

- 1) PJM to follow-up on items above and develop presentation for review at next MIC meeting.

B. Update to next MIC meeting (11/12/09)

6. FUTURE MEETINGS

A. Next meeting after 12/15/09 OC meeting

<http://www.pjm.com/committees/meeting-advisor.html>



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