



**DRAFT Meeting Minutes**  
**PJM Interconnection**  
**Black Start Service Working Group Meeting**  
**Meeting / Conference Call / WEBEX**  
**May 17, 2010**  
**1:00 PM EDT**

**Members Present:**

|                            |                            |
|----------------------------|----------------------------|
| David Schweizer, Secretary | PJM Interconnection        |
| Scott Benner               | PJM Interconnection        |
| Rob Eckenrod               | PJM Interconnection        |
| David Pratzon              | Exelon Generation Co., LLC |
| Hal Seigrist               | Mirant Potomac River, LLC  |
| Jeffrey Mayes              | Monitoring Analytics       |

**Members Present via Conference Call:**

|                   |  |
|-------------------|--|
| Bruce Fleeger     | Allegheny Power                              |
| Julie Penwell     | Appalachian Power Company                    |
| Eric Yeh          | Baltimore Gas and Electric Company           |
| Bob Pleiss        | Constellation Energy Commodities Group, Inc. |
| Guy Filomena      | Customized Energy Solutions, Ltd.            |
| Jeff Whitehead    | Customized Energy Solutions, Ltd.            |
| Ken Jennings      | Duke Energy Business Services LLC            |
| Richard Plutschak | Easton Utilities Commission                  |
| Richard Hoag      | First Energy Solutions Corp.                 |
| Andy Hunter       | First Energy Transmission                    |
| Gary Pleiss       | Jersey Central Power & Light Company         |
| Laura Walter      | PJM Interconnection                          |
| Rod Miller        | PPL Generation, LLC                          |
| Ted Summers       | PSEG Energy Resources and Trade LLC          |
| Michael Batta     | Virginia Electric & Power Company            |
| Louis Slade       | Virginia Electric & Power Company            |

**1. ADMINISTRATION**

- A. BSSWG approved agenda for this meeting.
- B. BSSWG approved draft minutes from 4/20/10 meeting.



## 2. WORK ON REVISED CHARTER ITEMS:

### A. Revised Charter (from 1/12/10 MIC):

#### **RESPONSIBILITIES**

1. *Discuss and recommend consensus solutions to MIC Assignments which include:*
  - a) *Explore proposals for unit owners to use the energy capability of units in the Formula rate*
  - b) *Explore proposals to allow for an annual Automated Formula Rate Adjustments for CONE through PJM settlements (rather than a resubmission)*
  - c) *Explore proposal to make CIP Costs – Additive to Existing rates in a matter which address FERC concerns raised in order*
  - d) *Explore proposals to review tariff language for 2 year rolling commitments and propose appropriate changes which address FERC concerns presented in order*
  - e) *Explore proposal to eliminate Accelerated CRF refund for FERC rates (which addresses FERC concerns in order)*
2. *The working group should complete a focused review of the above items by June 2010.*

### B. Discussion Items:

#### 1. Formula Rate (item 1a):

**a) Issue Resolved – No further action required by BSSWG.**

#### 2. Automated Formula Rate Adjustments (item 1b):

##### a) Preparation for adjustment in 2010:

- 1) PJM discussed status of data submission from black start unit owners, and answered questions regarding data forms.
- 2) 5/15/10 was target for data submission; absolute deadline is 6/1/2010. PJM will be sending reminder to black start unit owners that have not yet submitted data.
- 3) Questions on data submittal should be sent to BlackStart@pjm.com

**b) Issue resolved – No further action required by BSSWG.**

#### 3. CIP Costs Additive to Existing Rates (item 1c):

- a) BSSWG continued discussion on proposal to make CIP costs additive to existing rates.



- b) BSSWG reviewed document developed by BSSWG sub-working group that was intended to demonstrate that CIP costs are exclusive from capital costs, in order to develop a more compelling case since FERC already advised on this issue.
- c) Next meeting (6/15) will include presentation, discussion and voting on alternate proposals, from both BSSWG unit owners and Monitoring Analytics, refined further after 5/17 discussion:
  - 1) Unit owners' proposal to use the formula rate for basic black start cost recovery plus standard cost of service recovery for CIP related costs (Mirant taking the lead in drafting).
  - 2) Monitoring Analytics alternate proposal to develop a way to administer tariff language so that black start unit owners would not have to go through a Cost of Service recovery model.
- d) In order to support BSSWG stakeholders being able to vote on these alternative proposals on 6/15, the following timeline was agreed upon:
  - 1) 6/2 – target date for unit owners and Monitoring Analytics to complete and send to PJM position summaries for alternative proposals including any draft tariff language.
  - 2) 6/4 – target for PJM to send position summaries for alternative proposals including any draft tariff language to BSSWG stakeholders.
  - 3) 6/15 – BSSWG to vote on alternative proposals, and reach alignment on message to elevate to MIC (July MIC).
- e) Develop CRF rate tables specific for CIP compliance costs –
  - 1) BSSWG continued discussion on issue that CIP type costs may be inappropriate for generation asset CRF recovery - Final tariff language filed with FERC wraps traditional black start costs with CIP costs vs. dividing the two components.
  - 2) BSSWG to develop a more detailed list or chart of NERC CIP cost types along with depreciation treatment (develop for BSSWG alignment but not necessarily for inclusion in filing – possibly also in PJM Manual).

**l) Issues not resolved – discussion to be continued at next meeting.**

4. 2 year rolling commitments (item 1d):

**a) Issue Resolved – No further action required.**



5. Eliminate Accelerated CRF refund for FERC rates (item 1e):
  - a) BSSWG continued discussion on recommendation for FERC to evaluate the CRF rate structure filing based on the black start rules which apply 2 year rolling commitment. Ongoing black start unit provider concern that this could discourage asset owners from making significant capital investments.
  - b) Monitoring Analytics' position is that the Commission has appropriately resolved this issue in Docket No. ER09-730 in 2009.
  - c) Majority of BSSWG acknowledges that it would be difficult to unwind anything that has been ruled on by FERC.
  - d) **BSSWG in alignment that no further compelling case has been introduced, therefore the issue will be dropped.**
  - e) **Issue Resolved – No further action required.**

### 3. FUTURE MEETINGS:

- A. BSSWG will meet monthly to achieve completion of revised charter by June, 2010, and target 7/22/10 MIC to review results.
- B. Next meeting – Wednesday 6/15/10 (1:00pm-4:00pm)
- C. Subsequent meetings:  
7/20/10 (after OC Meeting)

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

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