Black Start MW

• **Proposed Change:** For proposed energy-only Black Start Units, PJM will award Black Start based on Black Start MW in RFP proposal.

• **MMU Position:** Neutral

• Ideally, Black Start Units would be capacity resources, but if PJM needs an energy-only unit to provide Black Start, that unit should be paid based on the amount of Black Start that unit provides.
NERC-CIP

• Proposed Change: Allow ALR units to recover NERC-CIP compliance costs as documented to MMU.

• MMU Position: Neutral

• Ideally, there would be no ALR units providing Black Start, but current Black Start ALR units should be able to recover NERC-CIP compliance costs as defined in the tariff and as documented to MMU.
Fuel Storage

• **Proposed Change:** Allow compensation for fuel types other than oil, provided that the fuel is used only for Black Start Service.

• **MMU Position:** Support compensation for propane and LNG only, provided that propane or LNG is stored in a tank and compensation is based on same logic as oil storage, excluding double counting. Oil storage logic should be reexamined to remove potential double counting.

• **MMU Position:** Oppose compensation for any other proposed sources (including leaving options open-ended)
Fuel Storage (cont.)

- **Propane/LNG:** Propane or LNG stored in a manner similar to oil should be compensated in the same manner as oil, excluding double counting.
- **Battery:** This type of unit is not capable of providing Black Start Service.
- **Hydro:** It has never been demonstrated that water was being stored solely for Black Start Service.
Proposed Change: Move from a two-year to a five-year PJM internal review of the formulas in Schedule 6A of the OATT.

MMU Position: Neutral

Ideally, PJM’s internal review would be more frequent, but this change aligns PJM’s internal review with the RTO-wide RFP process.

MMU will regularly review the formulas in Schedule 6A and recommend changes as needed.
Summary of Positions on Proposed Minor Compensation Changes

• **Support**: Fuel storage compensation for propane/LNG in the same manner as oil, excluding double counting

• **Neutral**: BSMW for energy-only resources, NERC-CIP cost recovery for ALR units, five-year PJM internal review of 6A formulas

• **Oppose**: “Energy storage” compensation for any other proposed sources, especially hydro. Oppose open-ended options for energy storage compensation.