18. The formula for calculating a generator’s annual Black Start Service revenue requirement is:
\[(\text{Fixed BSSC}) + (\text{Variable BSSC}) + (\text{Training Costs}) + (\text{Fuel Storage Costs})) * (1 + Z)\]

Fuel Storage Costs:
Black Start Units that cannot use oil for fuel shall calculate Fuel Storage Costs or “FSC” as zero. Black Start Units that can use oil for fuel shall calculate Fuel Storage Costs in accordance with the following formula:
\(\text{MTSL} + \{(\text{Run Hours}) * (\text{Fuel Burn Rate})\} * (\text{12 Month Forward Strip Stored Fuel Cost} + \text{Basis}) * (\text{Bond Rate})\)

Where:
- Run Hours are the actual number of hours a Transmission Provider requires a Black Start Unit to run. Run Hours shall be at least 16 hours or as defined by the Transmission Owner restoration plan, whichever is less.
- “Fuel Burn Rate” is actual fuel burn rate for the Black Start Unit.
- “12-Month Forward Strip Stored Fuel Cost” is the price as of January 1, 2015, or the effective date of the blackstart service implementation date, for the fuel to provide the actual run hours required for the black start unit to run but not less than 16 hours. Fuel Storage Cost would be adjusted to reflect the actual cost of fuel consumed by the blackstart unit in response to PJM blackstart restoration procedures.
- “Basis” is the transportation costs from the location referenced in the forward price stored fuel cost data to the Black Start Unit plus any variable taxes.
- “Bond rate” is the value determined with reference to the Moody’s Utility Index for bonds rated Baa1 reported the first business day on or following May 1.
- “MTSL” is the “minimum tank suction level” and shall apply where no direct current pumps are available for the Black Start Unit.

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For units qualifying as Black Start Units on the basis of a demonstrated ability to operate at reduced levels when automatically disconnected from the grid, there are no associated fuel storage costs and the value for FSC shall be zero.

\(Z\)

\(Z\) shall be an incentive factor solely for Black Start Units with a commitment established under section 5 above and shall be ten percent. For those Black Start Units that elect to recover new or additional Black Start Capital Costs under section 6 above, the incentive factor, \(Z\), shall be equal to zero.

At least every two years, PJM shall review the formula and its costs components set forth in this section, and report on the results of that review to stakeholders.