

BLACK START BASE FORMULA RATE

Issue Source

PJM is bringing this issue forward for stakeholder consideration. The issue was identified in the [5 year Black Start Revenue Review](#) report which was posted in October 2024.

Issue Content

Issue is related to the impact of the Net CONE decreasing in the 2025/26 delivery year and subsequent delivery years in the Fixed Black Start Service Cost component of the Base Formula Rate and NERC CIP rate. This is defined as $\text{Net CONE} * \text{Black Start Unit Capacity} * X$ (where X is 0.01 for hydro units and 0.02 for CT and Fuel Assured Black Start).

Key Work Activities and Scope

- 1) Education on Black Start Base Formula Rate and impact of Net CONE on the Black Start revenue.
- 2) Develop solutions to specifically mitigate the impact of Net CONE reductions starting in the 25/26 delivery year on black start revenues for resources on the Black Start Base Formula Rate and NERC CIP rate.
- 3) Out of Scope areas include:
 - a. Black Start/Fuel Assurance capital recovery rate and Capital Recovery Factor (CRF)
 - b. Black Start/Fuel Assurance requirements, testing, performance standards and business rules
 - c. Components of the Base Formula Rate and NERC CIP rate except the Fixed Black Start Service Cost component
 - d. Calculation of Net CONE and other parameters used in the capacity market.

Expected Deliverables

- 1 | Proposed solution to the Fixed Black Start Service Cost component of the Base Formula Rate and NERC CIP rate.

Corresponding revisions to the PJM Tariff Schedule 6A, paragraph 18, or other governing document provisions consistent with the solution endorsed at the appropriate Standing Committee will be brought to the MRC and MC for review and endorsement. Proposed revisions to PJM Manuals conforming to the FERC approved solution will be brought to the appropriate Committees for review and endorsement.

Decision-Making Method

Tier 1, consensus (unanimity) on a single proposal

Stakeholder Group Assignment

Work to be performed within MIC meetings under the CBIR Lite process.

Expected Duration of Work Timeline

Work is expected to take about 3 months to complete. Work should begin in December 2024 and complete in the first quarter of 2025. This work should be performed quickly to reduce the likelihood of resources leaving Black Start service.

Start Date	Priority Level	Timing	Meeting Frequency
Dec 2024	<input type="checkbox"/> High <input checked="" type="checkbox"/> Medium <input type="checkbox"/> Low	<input checked="" type="checkbox"/> Immediate <input type="checkbox"/> Near Term <input type="checkbox"/> Far Term	<input type="checkbox"/> Weekly <input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Quarterly

Charter

(check one box)

<input type="checkbox"/>	This document will serve as the Charter for a new group created by its approval.
<input checked="" type="checkbox"/>	This work will be handled in an existing group with its own Charter (and applicable amendments).