

FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, DC 20426

OFFICE OF ENERGY MARKET REGULATION

PJM Interconnection, L.L.C.  
Docket No. ER25-2123-000

Issued: May 30, 2025

On April 30, 2025, PJM Interconnection, L.L.C. (PJM) filed, pursuant to section 205 of the Federal Power Act (FPA),<sup>1</sup> revisions to its Open Access Transmission Tariff (Tariff) to revise the base formula rate and capital cost recovery rate for North American Electric Reliability Corporation (NERC) – Critical Infrastructure Protection (CIP) (NERC-CIP) specific recovery for Black Start Service to maintain the incentive for resources to provide that critical reliability service.<sup>2</sup>

Please be advised that your filing is deficient and that additional information is necessary to process the filing. Please provide complete responses to the following:

1. PJM states that the existing Net CONE-dependent Black Start Service formula rate may not adequately incentivize resources to continue offering Black Start Service.<sup>3</sup> PJM states that it proposes to revise the Base Formula Rate and the Capital Cost Recovery Rate – NERC-CIP Specific Recovery formulas by replacing Net CONE with a fixed rate based on 5-year historic system-wide Net CONE, which will be updated annually based on the Handy Whitman Index.<sup>4</sup> PJM states that a locational Net CONE value has traditionally been used in these rates as a proxy for the fixed cost for an existing Black Start Service resource to stay online, but the locational aspects of Black Start Service do not correspond to

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<sup>1</sup> 16 U.S.C. § 824d.

<sup>2</sup> Filing, Transmittal Letter at 1. PJM states that its proposed revisions affect two out of the three formulas used to calculate compensation for the fixed Black Start Service cost component of providing Black Start Service, *i.e.*, the Base Formula Rate and the Capital Cost Recovery Rate – NERC-CIP Specific Recovery. The third formula, *i.e.*, the Capital Cost Recovery Rate is not affected by the proposal. *Id.* at 1 n.2.

<sup>3</sup> Filing, Transmittal Letter at 8.

<sup>4</sup> Filing, Transmittal Letter at 10.

the locational aspects driving Net CONE in specific Zone Areas.<sup>5</sup>

Please explain how: (a) the proposed fixed past 5-year average of overall system-wide Net CONE will reasonably approximate the costs incurred by unit owners to maintain and provide Black Start Service; and (b) the use of an RTO-wide historic Net CONE calculation regardless of the location of a Black Start Unit is just and reasonable.

This letter is issued pursuant to 18 C.F.R. § 375.307 and is interlocutory. This letter is not subject to rehearing under 18 C.F.R. § 385.713. A response to this letter must be filed with the Secretary of the Commission within 30 days of the date of this letter by making a deficiency filing in accordance with the Commission's electronic tariff requirements. For your response, use Type of Filing Code 170 if your company is registered under program code "M" (Electric Market Based Rate Public Utilities) or Type of Filing Code 180 if your company is registered under program code "E" (Electric Traditional Cost of Service and Market Based Rates Public Utilities).<sup>6</sup> In addition, submit an electronic version of your response to Eric Icart at [eric.icart@ferc.gov](mailto:eric.icart@ferc.gov). The information requested in this letter order will constitute an amendment to your filing and a new filing date will be established.<sup>7</sup> A notice will be issued upon receipt of your filing.

Pending receipt of the above information, a filing date will not be assigned to your filing. Failure to respond to this letter order within the time period specified may result in a further order rejecting your filing.

Issued by: Kurt M. Longo, Director, Division of Electric Power Regulation – East

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<sup>5</sup> Filing, Transmittal at 7.

<sup>6</sup> The filing must include at least one tariff record to restart the statutory timeframe for Commission action even though a tariff revision might not otherwise be needed. *See generally Elec. Tariff Filings*, 130 FERC ¶ 61,047, at PP 3-8 (2010) (explaining that the Commission uses the data elements resulting from the tariff filing process to establish statutory filing and other procedural dates).

<sup>7</sup> *See Duke Power Co.*, 57 FERC ¶ 61,215, at 61,713 (1991) ("the Commission will consider any amendment or supplemental filing filed after a utility's initial filing . . . to establish a new filing date for the filing in question").