Fuel Requirements for Black Start Resources

OC

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IMM



Fuel Assurance Issues

- PJM planning for black start and fuel assured black start should be on a regional basis.
 - Cost allocation should be on a regional rather than a zonal basis.
- Intermittent resources should not be black start resources: cannot meet basic eligibility criteria.
 - Run of river should be eligible to be black start resources.
- Run hour requirements should be 16 hours, including three starts, without exceptions, without 90 percent exception for intermittents, run of river hydro, hybrids.

Fuel Assurance Issues

- Emission permits/limitations should be submitted and verified prior to acceptance as black start resource.
 - Predefined waivers should be required to accommodate operations during restoration period.
- Run of river hydro should be set to most restrictive seasonal flow (MW).
 - No 90 percent exception. No rationale for exception.
- Rules for black start from DER/DR with onsite generator must be more specific.
 - Need to wait for PJM's DER/DR rules to be defined.
 - Same rules should apply to all black start resources.

Fuel Assurance Issues

- Testing at PJM defined time
- Fuel supply verification
 - Required: details for gas supply; consumables
 - Weekly frequency
- Notification of issues
 - Should be immediate
- Compensation
 - Z factor should not change
 - X factor should not change
 - Paying for penalties is not appropriate part of compensation (PJM rationale)

Fuel Assurance Issues: Compensation

- Offset to capital costs solely associated with fuel assurance recoverable following the process in schedule 6A.
- Net revenues from operating on backup fuel netted from black start revenues.
 - Energy markets
 - Ancillary services markets
 - Capacity markets



Fuel Assurance Issues: Penalties

- If any requirements of fuel assured black start service not met, PJM must be notified immediately and monthly black start revenues will be forfeited for each such month.
 - Black start monthly revenues will be forfeited for months in which the fuel inventory, water level, stored energy falls below the run hour requirement
 - Regardless of cause, including a regulatory requirement.

Fuel Assurance Issues: Black Start MW

- Black start MW capability used for procurement and compensation should be based on:
 - ICAP for non intermittent resources
 - ICAP/ELCC/CIR for storage resources
- Fuel assured and non fuel assured

Fuel Assurance Issues: Role of TOs

- The reliability back stop in PJM Manual M14D allows TO ownership. TOs should not own generation.
 - No reason to believe that TOs can procure black start more effectively than PJM
 - PJM should continue efforts until goal is met, including cross zonal across multiple zones.

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