## Initiation BS Replacement Process triggers BS Unit that needs major Refurbishment solely for BS from M14D Section 10.1 refurbishment for BS or would (ex. cranking diesel) otherwise retire Notice of Retirement/Termination Notice of Refurbishment RFP Replacement Process Refurb Proposal Refurbishment Process (M14D Section 10.1) (New M14D Section 10.3) Thresholds to initiate refurbishment RFP a) Units on CRF rate b) Units on formulaic rate Cost Recovery Schedule 6A 1. FERC rate 2. Formulaic rate / CRF Capital rate 3. Revised Formulaic rate with MMU

## **Black Start Refurbishment Process Summary**

Notes for clarification and further discussion (to be covered in new Manual M14D Section 10.3 language):

- Black Start unit that needs major repair or would otherwise retire needs to submit notice of retirement to trigger Black Start Replacement Process, and then submit refurbishment proposal as a bid in replacement process.
- 2. Thresholds for Refurbishment Process:
  - a. For units on CRF rate: link threshold to remaining % of CRF payout if refurbishment proposal is greater than the remaining CRF payments then an RFP is required. As the unit gets closer to the end of commitment the threshold reduces and the likelihood for an RFP will increase.
  - For units on formulaic rate: link threshold to a percentage (10%) above current revenue requirement (ie. if refurbishment cost proposal is 110% of current revenue requirement then RFP is required).
- 3. Provisions for extended service payment for units that are <u>not</u> selected in Replacement Process or Refurbishment Process RFP, are needed to provide black start service temporarily, and require additional capital investment -- extend existing black start payments and include RMR type language to address additional capital costs.
- 4. Cost recovery -- for units that submit refurbishment proposal and are selected through either Replacement or Refurbishment process, the unit owner will be paid during the capital recovery period the greater of black start revenues (per Schedule 6A) or any cleared RPM auction revenues.