



OC/MIC Special Sessions: Fuel Requirements for Black Start Resources

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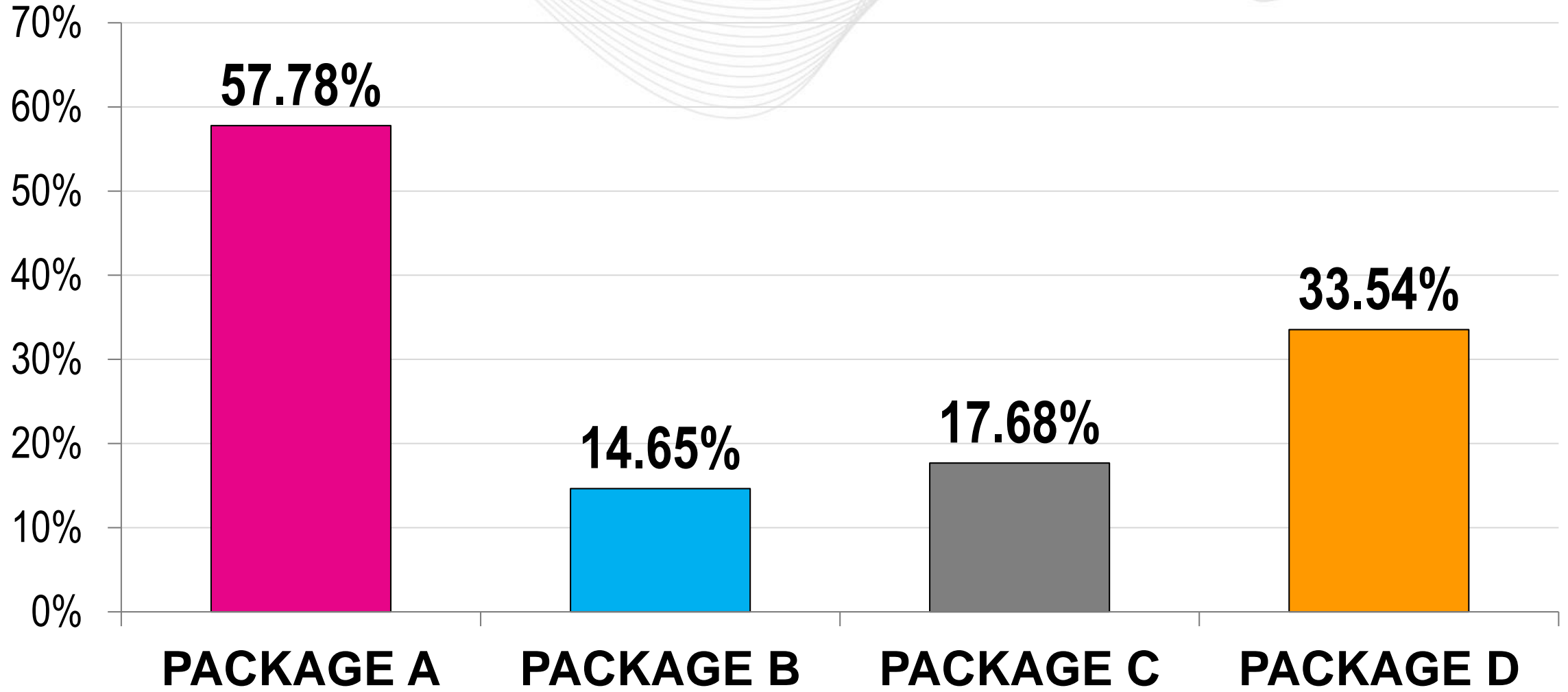
Considering additional fuel assurance requirements, for new and existing black start resources, to ensure the black start fleet can be fuel assured beyond their primary fuel source, in the event the primary fuel source is unavailable.

- July, 2018 - Problem Statement and Issue Charge approved by MRC
 - Assignment - Dual - OC and MIC
- January, 2019 - Work started
- 12 special sessions
- January 7-17, 2020 - Poll on packages



Proposal Comparison Highlights

	A	B	D
Level of Fuel Assurance	100% BS resources allocated to a TO zone required to be fuel assured	Same as A	Min. of 1 up to a max. of 50% / TO zone
Universal Requirements	16 hrs run hour requirement; 10hrs or 16hrs option for hydro	Same as A	Same as A
Solutions by Fuel Type	Nat Gas: Onsite fuel, multiple pipeline connections, close to nat. gas gathering facility; Run of River Hydro: BS MW based on river flows of 90% confidence level to support run hour requirement	Same as A	Same as A
Testing & Verification	Fuel limitations to be reported within 1 hr	Fuel limitations to be reported immediately	Same as A
Compensation	Compensation for fuel assurance costs; Energy revenues netted w/ BS revenues; Cap. Recovery Period: 20 yr. default, 10 yr. by exception for > 20yr. old units; New 20 and 10 yr. CRF rates; Tiered compensation for hydro with changes to X and Z factors	Compensation for fuel assurance costs based on proportionate amount solely for BS; Cap Recovery Period same as A; New 20 and 10 yr. CRF rates; Tiered compensation for hydro with no changes to X and Z factors	Same as A
Implementation	Fuel Assurance RFP; existing BS resources may submit RFP proposal	Same as A	Same as A





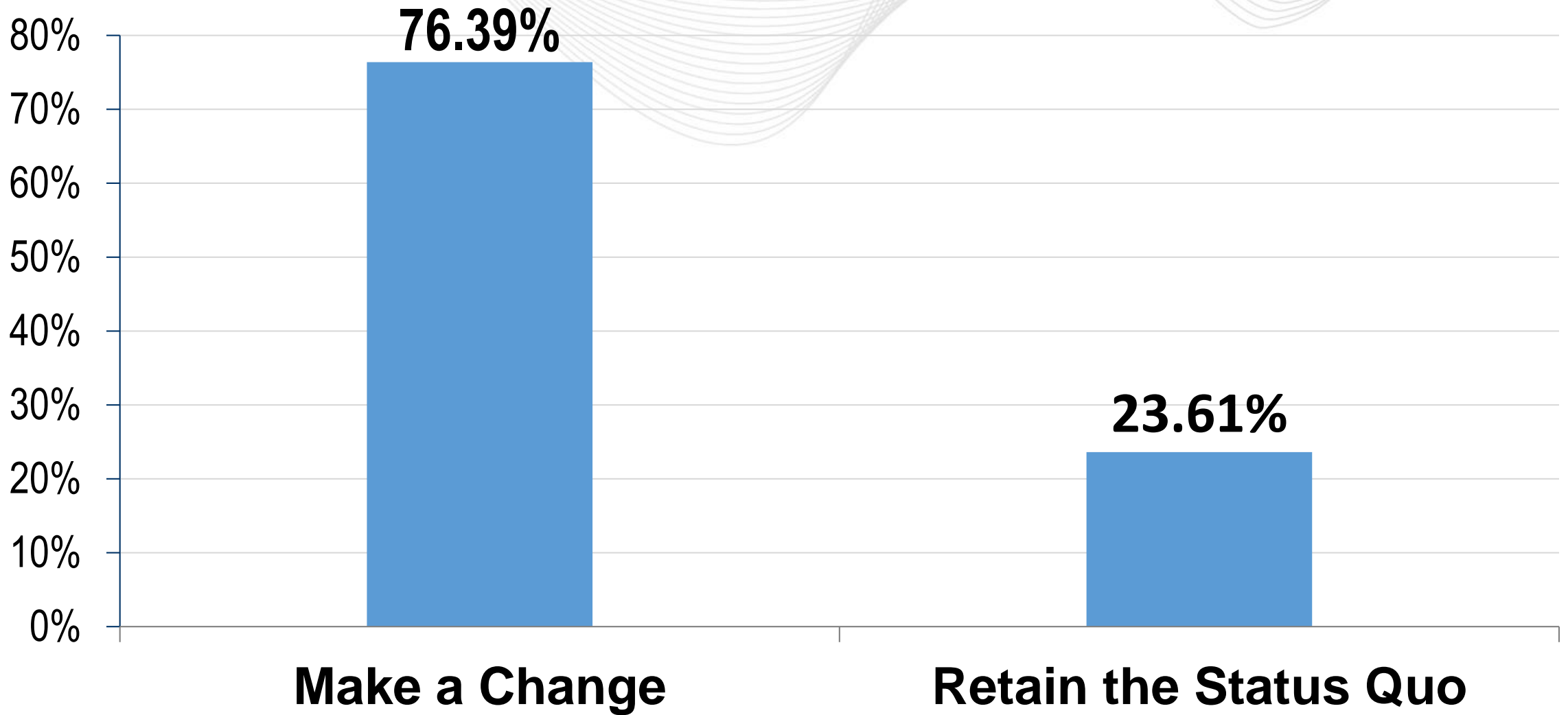
Fuel Requirements for Black Start Resources Preliminary Cost Projections

Level of Fuel Assurance	Capital Cost to convert Black Start fuel assured units	Increase in Annual Revenue Requirement for Capital Recovery Period <i>(Note: Current BS Annual Revenue Requirement = ~\$65M/yr.)</i>
All black start resources allocated to a TO zone (Package A)	\$513M	\$81M/yr.*
All black start resources allocated to a TO zone (Package B)	\$513M	\$67M/yr.*
Minimum of one black start resource or maximum of 50% (on a unit count basis) fuel assurance conversion for each TO zone (Package D)	\$13M	\$2.3M/yr.*

** Annual Revenue Requirements updated to reflect projected Capital Recovery Periods and Capital Recovery Factors (CRF) in Proposed Packages.*



Do you prefer to make a change or to retain the status quo?



- Special Session for live combined vote has been scheduled immediately prior to start of March 11, 2020 MIC
- Requires consolidation of MIC and OC rosters so the voting app may be used.
- OC Roster requires review and validation (MIC roster is already current)
 - View the current OC roster on the [OC page](#) on pjm.com
 - Submit the Roster Update Form if changes are needed
- Stay tuned for further instruction and communication via the OC distribution list.