

Annual Black Start Revenue Process

MIC Special Session
April 9, 2026

IMM



Monitoring Analytics

Annual Black Start Recovery Components

- **Fixed black start service costs**
 - **Base Formula Rate**
 - **Capital Cost Recovery Rate NERC-CIP Specific Recovery (CRF)**
 - **Capital Cost Recovery (CRF)**
- **Variable black start service costs**
- **Training costs**
- **Fuel storage costs**
- **Incentive factor for units on the base formula rate**
 - **Ten percent for non fuel assured units**
 - **Twenty percent for fuel assured units**
 - **Zero for black start units recovering new or additional black start fuel assurance capital costs**



Submitting Annual Revenue Requirement Data

- **Black start resource owner must enter the cost data into MIRA by May 3rd in order to recover costs**
 - **Annual O&M costs**
 - Supporting documentation for O&M must be mailed to Blackstart@monitoringanalytics.com
 - **Resources – number of black start units at a plant**
 - **Black start MTSL tank allocation in gallons for stored fuel onsite**
 - The black start MTSL tank ratio calculations must be mailed to Blackstart@monitoringanalytics.com
 - **Fuel burn rate**
 - Gallons per hour of fuel used for black start
 - **Fuel handling costs per gallon**



Review

- **May 4 through May 14 the IMM reviews costs and explains issues if the review finds any costs are not includable.**
- **After May 14, black start unit owners check results of IMM review in MIRA.**
- **Black start unit owners must provide written notice of any disagreements with IMM review to PJM and Monitoring Analytics by May 21.**
 - **Written notice sent to IMM at Blackstart@monitoringanalytics.com and PJM at blackstart@pjm.com**

Capital Recovery Factors (CRFs)

- **CRFs determine the payment level that provides a return on and return of capital investments and covers the income tax liabilities associated with the payments.**
- **CRFs for black start investments prior to June 6, 2021, are based on a 2024 settlement.**
- **CRFs for investments after June 6, 2021, are calculated using the CRF formula with the cost of capital determined by financial parameters at the start of the capital recovery term.**

Capital Recovery Factors (CRFs)

- **CRFs should not be updated for existing investments to reflect a change in the interest rate.**
 - **The cost of capital is fixed at the time of investment.**
- **The CRF formula incorporates income tax associated with the capital recovery payments.**
 - **In order for the generation owners to be held risk neutral to changes in the income tax rate, the Schedule 6A CRF formula should be modified to allow for an update of the CRF value to reflect a change in the income tax rate on the effective date, without delay.**
 - **The MMU recommends using the state income tax rate corresponding to the unit's location rather than an average across PJM states**

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