

# MMU Position on Black Start Service Issues

Members Committee  
November 18, 2010

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# Proposed BSS Filing

- **The proposed BSS filing is unnecessary:**
  - **The current rules provide an incentive rate for legacy BSS providers with no capital base;**
  - **The current rules afford a return of and on the costs to provide Black Start Service**
- **Piecemeal ratemaking is inappropriate**
- **If exposure to risks is disproportionate to potential returns, the issue should be addressed directly, not by violating cost of service ratemaking principles**



# RFP Process

- **PJM should procure BSS on an economic basis.**
  - **TOs with conflicts of interest should defer to PJM.**
- **PJM should periodically test the market for BSS, especially when incumbents' costs rise significantly.**
- **The existing tariff describes an orderly process to conduct RFPs at locations whenever obligations to provide BSS terminate.**



# RFP Process

- **CIPs costs raise the prospect of (i) significant new costs for incumbents and (ii) significant differences among competing suppliers in the costs necessary for compliance.**
- **There are existing black start units in PJM that should be permitted to compete for inclusion in the plan; the potential for new investment should be tested.**
- **The BSSWG charter should be revised to the extent necessary to ensure that the tariff process is fully implemented.**



# Pumped Storage Costs

- **It is reasonable for pumped storage BSS units to include the directly incurred “fuel” costs.**
- **It is reasonable for pumped storage BSS units to include opportunity cost associated with water level requirements.**
- **The opportunity costs have to be clearly defined and measured.**



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