

MMU Positions on Proposed Minor Compensation Changes for Black Start Units

SRSTF

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Black Start MW

- **Proposed Change:** For proposed energy-only Black Start Units, PJM will award Black Start based on Black Start MW in RFP proposal.
- **MMU Position:** Neutral
- **Ideally, Black Start Units would be capacity resources, but if PJM needs an energy-only unit to provide Black Start, that unit should be paid based on the amount of Black Start that unit provides.**

NERC-CIP

- **Proposed Change: Allow ALR units to recover NERC-CIP compliance costs as documented to MMU.**
- **MMU Position: Neutral**
- **Ideally, there would be no ALR units providing Black Start, but current Black Start ALR units should be able to recover NERC-CIP compliance costs as defined in the tariff and as documented to MMU.**

Fuel Storage

- **Proposed Change**: Allow compensation for fuel types other than oil, provided that the fuel is used only for Black Start Service.
- **MMU Position**: Support compensation for propane and LNG only, provided that propane or LNG is stored in a tank and compensation is based on same logic as oil storage, excluding double counting. Oil storage logic should be reexamined to remove potential double counting.
- **MMU Position**: Oppose compensation for any other proposed sources (including leaving options open-ended)

Fuel Storage (cont.)

- **Propane/LNG:** Propane or LNG stored in a manner similar to oil should be compensated in the same manner as oil, excluding double counting.
- **Battery:** This type of unit is not capable of providing Black Start Service.
- **Hydro:** It has never been demonstrated that water was being stored solely for Black Start Service.

Formula Review

- **Proposed Change**: Move from a two-year to a five-year PJM internal review of the formulas in Schedule 6A of the OATT.
- **MMU Position**: Neutral
- Ideally, PJM's internal review would be more frequent, but this change aligns PJM's internal review with the RTO-wide RFP process.
- MMU will regularly review the formulas in Schedule 6A and recommend changes as needed.

Summary of Positions on Proposed Minor Compensation Changes

- **Support**: Fuel storage compensation for propane/LNG in the same manner as oil, excluding double counting
- **Neutral**: BSMW for energy-only resources, NERC-CIP cost recovery for ALR units, five-year PJM internal review of 6A formulas
- **Oppose**: “Energy storage” compensation for any other proposed sources, especially hydro. Oppose open-ended options for energy storage compensation.

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