Section 9: Generator Deactivations

Welcome to the *Generator Deactivations* section of the *PJM Manual for Generator Operational Requirements.* In this section you will find the following information:

- Description of the PJM deactivation process (see *"Generator Deactivation Process"*).
- Methodology for compensation to Generators required to remain in service for reliability (see *"Compensation to Generators Requested to Remain in Service for Reliability"*).
- An exhibit showing the process flow diagram for generator deactivation.

9.1 Generator Deactivation Process

This section reviews the steps and timeline for the PJM generator deactivation process, and the potential results of the process. This section also reviews the methodology of compensation to generators requested to remain in service for reliability.

9.1.1 Generator Deactivation Request

Any Generation Owner, or designated agent, who wishes to retire a unit from PJM operations must initiate a deactivation request in writing to the PJM Generation Manager via the email address generatordeactivation@pjm.com no less than 90 days in advance of the planned deactivation date. Black start resources intending to terminate Black Start Service pursuant to the PJM Tariff, require ~~up to 2~~a one year's advance~~d~~ notice to terminate Black Start Service~~maintain the rolling 2-year commitment per the PJM Tariff~~. This notice will include, at a minimum, the following information:

- Indication of whether the unit is being retired or mothballed;
- The desired date of deactivation;
- A good faith estimate of the amount of a project investment and the time period the generator would be required to be out of service for repairs, if any, that would be required to keep the unit in or return the unit to operation.

PJM Generation Department will notify PJM Planning, PJM Markets and the Independent Market Monitor. PJM will also notify the appropriate transmission owner(s) of the request with the agreement of the Generation Owner or designated agent. PJM will initiate preliminary analysis of the request.

Note that only official requests to deactivate a unit are subject to the following procedures and timelines. All official requests are subject to public posting on the PJM Web site. Any requests to analyze potential retirements will be treated as unofficial requests, and the PJM deactivation process will not begin until an official public request is received.

9.1.2 Initial Analysis

PJM Planning will perform an initial analysis of the request. PJM Planning will perform standard RTEP/MAAC analysis for the affected summer peaks. PJM Planning will also identify maintenance and appropriate sensitivity analyses to be performed in addition to standard tests. PJM will review planned system reserve levels and conduct appropriate deliverability analysis. In addition, the Independent Market Monitor will analyze the effects of the proposed deactivation with regard to potential market power issues.

9.1.3 Analysis Results

The initial analysis has the following potential outcomes: (1) No reliability or market power issue identified, (2) Reliability or market power issue identified, or (3) Economic or congestion impact identified (PJM identifies potential for additional congestion due to the deactivation).

No Reliability or Market Power Issue Identified

- If no reliability or market power issue identified, the generator can retire as soon as practicable.
- Black start resources will forfeit a maximum of 1 year of revenues per existing tariff. If the unit is a black start resource, PJM will identify feasible alternative sites, and request tariff based bids to replace black start. A bid to re-power (improve) existing resource will be considered. The lowest cost replacement black start resource will be selected.

Reliability or Market Power Issue Identified

- PJM will notify the Generation Owner, or its designated agent, within 30 days of the deactivation request if a reliability issue has been identified. This notice will include the specific reliability impact resulting from the proposed deactivation of the unit, as well as an initial estimate of the period of time it will take to complete the Transmission upgrades necessary to alleviate reliability impact
- Within 60 days of the original deactivation request, the Generation Owner or designated agent, will provide PJM with an update estimate of any project cost and the period of time for which the unit would be required to be out of service for repairs, if any, that would be required to keep the unit in, or return the unit to, operation.
- Within 75 days of the original deactivation request, PJM will provide an updated estimate of the period of time it will take to complete the Transmission upgrades necessary to alleviate reliability impact
- Within 90 days of initial deactivation request, PJM will inform the Generation Owner, or designated agent, and post on its web site full details of the transmission upgrades that will be required in order to allow the unit to deactivate.
- Black start resources will forfeit a maximum of 1 year of revenues per existing tariff. If the unit is a black start resource, PJM will identify feasible alternative sites, and request tariff based bids to replace black start. A bid to re-power (improve) existing resource will be considered. The lowest cost replacement black start resource will be selected.

Economic or Congestion Impact Identified

- If PJM identifies an economic or congestion impact (e.g., potential for additional congestion due to the deactivation), the generator can retire as soon as practicable.
- Black start resources will forfeit a maximum of 1 year of revenues per existing tariff. If the unit is a black start resource, PJM will identify feasible alternative sites, and request tariff based bids to replace black start. A bid to re-power (improve) existing resource will be considered. The lowest cost replacement black start resource will be selected.
- Any economic impacts will be analyzed through the existing FERC approved economic planning process.

9.2 Compensation to Generators Requested to Remain in Service for Reliability

Upon receipt of notification from PJM that a generating unit will be requested to operate past its desired deactivation date, the Generation Owner may file with FERC for full cost recovery associated with operating the unit until it may be deactivated. The cost calculations may be reviewed with PJM prior to filing at the election of the Generation Owner.

In the alternative, the Generation Owner, or its designated agent, may choose to receive avoided cost compensation according to the Deactivation Avoidable Cost Credit in Part V of the PJM Tariff. Avoidable expenses are incremental expenses directly required for the operations of

a unit proposed for deactivation. The two major components to the avoid cost formula contained in the Tariff are:

- Categories of costs that are avoidable expenses
- Limited amount for necessary investment to keep unit in operable condition

Avoidable expenses do not include variable costs recoverable under cost-based offers to sell energy in PJM Interchange Energy Market. Additional investment over and above the limited component in the avoided cost formula must be filed as a separate rate. All inquiries regarding avoidable expenses are to be directed to the PJM Market Monitor

If the Generation Owner, or designated agent, chooses the compensation according to the Deactivation Avoidable Cost Credit in Part V of the PJM Tariff, compensation to the generator will begin as of the day following the filing, and will be net of revenues from the PJM markets. All revenues from the PJM markets and unit-specific bilateral contracts will be net of marginal cost of service recoverable under cost-based offers to sell energy from operating capacity of the PJM Interchange Energy market, not less than zero

- A 10% adder will initially be applied to the avoidable costs, and this adder will increase in future years. Applicable adders for future years are detailed and defined in Part V of the PJM Tariff.

Costs (avoidable cost rate minus net revenues) will be allocated as an additional transmission charge to the zone(s) for which the Transmission Owner(s) will be assigned the cost of the transmission upgrade.

If a Generation Owner, or designated agent, chooses to file for full cost of service with FERC, PJM begins crediting the generator the amount approved by FERC, on the timeline ordered by FERC as part of the approval. PJM also allocates the costs associated with these credits according to FERC order.

The following exhibit displays the generation deactivation process flow:

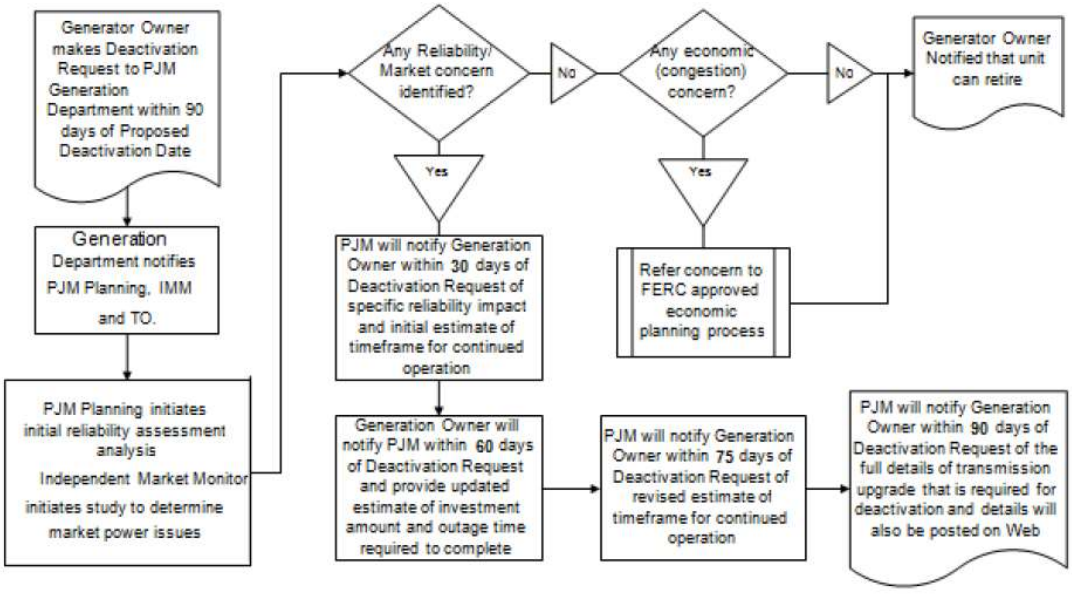


Exhibit 11: Generation Deactivation Process Flow

Section 10: Black Start Generation Procurement

Welcome to the *Black Start Generation Procurement* section of the *PJM Manual for Generator Operational Requirements.* In this section you will find the following information:

- Description of the PJM black start selection process.
- Description of the PJM incremental black start RFP process.
- Description of the PJM Reliability Backstop process.

10.1 Black Start Selection Process

The following section outlines the PJM black start selection process.

10.1.1 Frequency

PJM will issue an RFP for black start generation every five (5) years, which would be open to all existing and potential new black start units on a voluntary basis unless the generator has requested additional Black Start capital cost recovery from PJM under the PJM Tariff. The first five year selection process will result in black start solutions that will be effective as of 4/1/2015. Black start solutions from subsequent five year selection processes will be effective on April 1 each five years thereafter.

10.1.2 Selection Process

The following steps A through H outline the various selection process phases to be implemented prior to the effective date for each five year selection process. The timeframes indicated represent time estimates (in calendar days or months) for each major phase (or multiple overlapping phases). Based on the aggregate of timeframes indicated, the selection process will be initiated no later than 24 months prior to each five year selection process effective date.

A. Validate Critical Load

PJM will send critical load data to Generation Owners and Transmission Owners ("TOs") for validation. Critical Load requirements will be in accordance with PJM Manual M36, Attachment A. PJM to work with generation owners and TOs to reconcile differences and update accordingly.

Targeted time: 30 days

B. Develop Technical Requirements for Request for Proposal ("RFP")

PJM will coordinate technical requirements for RFP with TOs, including MW requirements, MVAR capability, and geographic details.

Targeted time: 30 days

C. Issue RFP for resources interested in supplying new Black Start

PJM will post the black start RFP on the PJM website with notifications to the appropriate stakeholder groups. Interested and required bidders should review the guidelines posted on the PJM Black Start Services RFP page titled "General Guidance: Black Start RFP Response Content" for guidelines on content of proposals.

The RFP notification will also advise that all bids submitted for black start resources must be cost-based bids consistent with Schedule 6A of the PJM OATT. Details of the required cost components for each prospective black start replacement bid are provided in PJM Manual M27.

Prospective ~~requesst~~request for~~RFP~~ proposals:

Existing Bblack Sstart uUnits would offer at the current rate. ~~Existing compensated black start units do not need to respond to the RFP --~~ It is the assumedption is that any Black Start Unit that does not respond to the request for proposal (unless required to respond) ~~they~~ will continue to provide Bblack sStart sService at the current rate (Formula Rate or Cost Recovery Rate)~~.~~, These Black Start Units ~~but~~ are not guaranteed to be selected to provide bBlack sStart Service going forward, if reductions in critical load indicate that the black start service is no longer needed.

~~If existing units are not interested in supplying black start service going forward, they would need to submit a black start termination notice in accordance with the PJM OATT, Schedule 6A.~~

New black start resources in Generation Interconnection Queue would be eligible to respond to the RFP.

Existing units that would require upgrades to provide black start service would be eligible to respond to the RFP.

Submission Window for RFP bids to be submitted: 90 days

D. RFP Proposal Evaluation

PJM will work with the TOs to evaluate proposals and select viable black start solutions based on the basis of critical load requirements, identified pursuant to M36, location, cost and operational considerations (amount, start time, etc.).

Units on a capital cost recovery rate would automatically be selected for ~~the length of the recovery period~~at least a 20 year commitment or as offered into the request for proposal if greater than 20 years. Units on bilateral contracts with TOs would be automatically selected for use in those zones.

PJM will work in collaboration with TOs to select black start solutions for each zone in accordance with the criteria outlined in Attachment A of PJM Manual 36, Section 4.6 of PJM Manual 12 and Schedule 6A of the OATT (black start units do not need to be located in the same physical zone as the TO zone in which they will support).

PJM utilizes the following evaluation criteria in the RFP selection process. Preferred black start solutions typically include units located in close proximity (from a transmission topology perspective) to PJM-defined critical loads, which are loads to support quicker starting CT's and Combined Cycle units, nuclear safe shutdown loads, and electric-powered gas compressor stations. In addition, RFP proposals for natural gas black start units with dual fuel capability and/or primary firm gas transportation contracts will be given a higher level of consideration in the RFP evaluation process. In the event that proposals received by PJM do not satisfactorily meet the fuel assurance criteria outlined below, PJM will request that the resource owners resubmit proposals with adequate demonstration of dual fuel capability and/or primary firm gas transportation contracts (for gas units).

1. Technical Feasibility
    a. Reliability Analysis / EOP-005 Studies
        i. Feasibility of power flow study results, including operating within thermal and voltage limits, black start unit has adequate reactive capability to handle line charging of cranking path and critical load requirements.

ii. Feasibility of dynamic simulation study results, including operating within voltage, frequency and stability limits.

b. Unit Location / Characteristics
   i. Geographically and electrically diverse from other black start resources in the TO zone.
   ii. Within TO zone or cross zonal black start.
   iii. Interconnection voltage level.
   iv. Type of generator (e.g. Simple Cycle CT, Hydro, etc.)
   v. Unit can serve multiple transmission outlets or support redundant cranking paths.
   vi. Unit can provide black start to more than one TO zone
   vii. Age of Unit

c. Operational / Environmental Restrictions
   i. Limitations such as slow ramp to minimum load after synchronizing, minimum load requirements for stabilizing load, turn down ratio, other operational limitations.
   ii. Environmental permit change needed to operate at emergency minimum output during restoration, other environmental limitations.
   iii. Unit is able to meet minimum run hour requirements per OATT Schedule 6A (16 hours or as indicated in TO Restoration Plan).
   iv. Unit's historical availability (GADs).

d. Black Start Testing Requirements
   i. Is unit able to meet PJM black start testing requirements, (e.g. ability to close to a dead bus in 180 min., ability to operate at reduced loads during testing while islanded)?
   ii. Or, are testing exemptions required (e.g. special switching, stabilizing loads, breaker closing to a live bus, load banks).

2. Fuel Assurance
   a. Fuel Type / Fuel diversity
   b. Dual fuel capability / availability, including logistics assessment such as:
      i. Can unit start on both primary or secondary fuel alone?
      ii. Is start-up fuel required before running on primary or alternate fuel?
      iii. Special switching requirements to move from primary to alternate fuel (or vice versa)
   c. Onsite fuel storage
   d. Primary firm gas transportation contract vs. secondary firm or interruptible gas contracts; single vs. multiple gas pipeline access.
3. Cost / Schedule
   a. Annual Revenue Requirements (Capital Costs, Net Present Value comparison)
      i. Capital Costs / Black Start MWs
      ii. Net Present Value / Black Start MWs
   b. Black Start commitment period ~~(20 yr./15 yr./ 10 yr./ 5 yr.)~~
   c. Cost recovery method – Base Formula Rate, NERC CIP Rate, Capital Recovery Factor Rate, FERC Rate.
   d. Proposed Black Start Service date to requested in service date

E. Verify Feasibility of Black Start Units Selected

PJM, with TO input, will identify black start cranking paths and black start units to source Critical Loads.

PJM, with TO input, will perform dynamic simulations and reactive/voltage studies on cranking paths, and if issues are identified on cranking paths which would prevent a potential black start unit from performing in accordance with PJM Manual M36, other black start units will be considered.

F. Review of Cost Recovery components
PJM will perform cost evaluation for each option and review cost recovery components provided for proposed black start solutions in accordance with PJM OATT, Schedule 6A.

Length of commitment ~~would remain~~is a minimum of 2 years for units on the base formula rate and at least 20 years for the units on the capital recovery rate~~(or longer based on capital recover time)~~. Compensation for units not electing to recover black start capital costs is based on the PJM OATT Schedule 6A formula rate. Compensation for units electing to recover black start capital costs would be based on the PJM OATT Schedule 6A Capital Recovery rate based on the age of the unit. Black Start unit owners may also choose to file for recovery of actual costs directly with FERC.

The PJM Independent Market Monitor will verify cost data during selection process and verify annual revenue requirement (actual cost).

G. Review Selection Process Results with TOs
If reliability criteria are met, PJM will discuss any localized reliability issues, or any other special considerations with TOs, and address accordingly.

If reliability criteria are not met, proceed to Black Start Incremental RFP Process, detailed in Section 10.2

If reliability criteria are met, but there is disagreement on units selected, PJM will work with TOs to resolve differences. If differences cannot be resolved, the Dispute Resolution Process may be initiated under the PJM Operating Agreement and PJM Manual M33.

TO may elect to procure additional black start outside of PJM OATT and Selection Process.

PJM will inform State Commissions about the results of selection process (general results, not unit specific)

Targeted time for Steps D through G: 6 months

H. Implementation of Black Start Solutions
PJM will notify new black start units that were selected through the process described in this Manual. Notification will include authorizing construction work to proceed as required for any new black start resources selected.

TOs will incorporate the use of black start generation and cranking paths into their restoration plans and submit revised restoration plans to PJM.

PJM and TO will add cranking paths to internal PJM tools.

PJM will provide current black start units that are no longer needed to provide Black Start Service with a one year termination notice.

Targeted time for Step H: 13 months

10.2 Black Start Incremental RFP Process

The Incremental RFP process shall be triggered by one or more of the following events ("triggering events"):

1. Notification of termination by the black start unit owner (whether termination is due to deactivation of the black start unit or that the black start unit owner no longer seeks to provide black start service) in accordance with Schedule 6A of the PJM OATT;
2. Identification by Transmission Owner (TO) or PJM of new or changed black start needs as a result of a review of its restoration plan;
3. Procurement of black start resources in the event that the Black Start Selection Process described in Section 10.1 of this Manual fails to procure adequate black start resources to meet reliability criteria for procuring black start as provided for in PJM Manual M36.

Upon the occurrence of any of the triggering events listed above, PJM will begin discussions with the TO to identify whether black start resources are needed in light of the existence of one of the triggering events.

1. If PJM and the TO determine that there is sufficient redundancy of black start resources in the region, consistent with the minimum critical black start requirement defined in Attachment A of PJM Manual M-36 on System Restoration, such that there is no need to replace the terminating black start unit in the restoration plan, PJM will initiate a final review and approval through the SOS-T committee of the TO's restoration plan and advise the TO whether such plan is adequate without a replacement black start unit. In the event that PJM and the TO do not agree on whether there is a need to replace the terminating black start unit in the restoration plan, PJM will initiate a review with SOST for additional technical assessment, and if after the SOS evaluation, an agreement is not yet achieved, the PJM Dispute Resolution process will be employed. Please refer to Section 4 of the PJM Manual for Administrative Services for the PJM Interconnection Operating Agreement (M33) for more details about the PJM Dispute Resolution process.
2. If PJM and the TO determine that there is a need to procure black start resources due to a black start termination/deactivation or a change in black start need, PJM shall proceed with the process defined in Section 10.2.1 to replace the withdrawing or deactivating black start resource.
3. If PJM and the TO determine that there is a need to procure black start resources due to failure of an RTO Wide Black Start RFP, PJM shall proceed with the process defined in Section 10.2.2 to address the black start resource need.

Timeline: Within 30 calendar days of receiving the termination request.

10.2.1 First Incremental RFP Process

1. After PJM and the TO determine that there is a need to procure black start resources based on one or more of the triggering events, PJM will post online a notification about the need for a new black start resource along with the location and capability requirements. Please refer to Attachment A of the PJM Manual for System Restoration (M36) for more details on the selection criteria for black start resources. This notification will also advise that all bids submitted for the black start resource must be costbased bids consistent with Schedule 6A of the PJM OATT. Details of the required cost components are provided in PJM Manual for Open Access Transmission Tariff Accounting (M27) and Schedule 6A of the PJM OATT.

2. This posting should be made within 30 calendar days of a triggering event, and will mark the beginning of the First Incremental RFP which will last 90 calendar days from the date of the notification. The posting will also advise that PJM will be reviewing pending generator interconnection projects and other projects that are received within the Market Window.
3. PJM will review each Generation Interconnection Request pending under Part IV of the PJM Tariff at the time a Market Window is opened (as described above) and each response by black start units, each Interconnection Request it receives during the First Incremental RFP Market Window, to evaluate whether the project proposed in the request could meet the black start criteria for which the First Incremental RFP was issued.
4. The TO will also have the option of negotiating a cost based bi-lateral contract with a Generation Owner for black start services. The TO may provide the alternative as one of the bids for the black start replacement that will be evaluated by PJM pending FERC approval of the bilateral contract.
5. If PJM and the TO determines that more than one of the proposed projects within the First Incremental RFP meets the black start criteria, the most cost-effective resource for the black start replacement will be chosen, provided the identified resource accepts and maintains designation as a black start unit under Schedule 6A of the PJM OATT. Submitted projects costs must be consistent with Schedule 6A of the PJM OATT.
6. Any black start resources identified as a result of the First Incremental RFP will be notified by PJM, and PJM and the TO will coordinate with the black start unit owner for its acceptance under the PJM tariff as a black start unit.

10.2.2 Second Incremental RFP Process

If the First Incremental RFP, or RTO Wide RFP, fails to procure adequate black start resources to meet the reliability criteria, PJM will initiate a Second Incremental RFP process to obtain black start resources. The Second Incremental RFP will follow the process described in Section 10.2.1, but PJM and the TO may modify the location and capability requirements for the black start resource, if necessary, to allow more resources to become viable as replacements. At this point, the TO will be notified of failed First Incremental RFP, or RTO Wide RFP, to allow them to begin preparation of a black start solution should the Reliability Backstop in Section 10.3 be necessary.

Any black start resources identified as a result of the Second Incremental RFP will be notified by PJM, and PJM and the TO will coordinate with the black start unit owner for its acceptance under the PJM OATT as a black start unit.

If no projects are identified under the Second Incremental RFP, PJM and the TO will investigate implementation of the Reliability Backstop as described in Section 10.3.

10.2.3 Implications for Terminating Black Start Units

This section applies to black start units procured during the First or Second Incremental RFP for the purpose of replacing a black start unit(s) that is terminating. If it is determined that a black start resource procured under either the First or Second Incremental RFP will not be available prior to the proposed termination date of the black start unit PJM will use the following process.

1. PJM will identify whether there is a need to request that the generator continue to provide black start service beyond the planned termination date, pending procurement of black start resources during the Incremental RFP process. Within 30 days of the black start unit owner's notification of the proposed deactivation or withdrawal of the black start unit from providing black start service, PJM will notify the GO whether there is a need for

the black start unit proposed for deactivation or withdrawal to continue operating beyond its proposed deactivation date or withdrawal date.

2. In the event that such notice requests that a black start unit proposed for withdrawal from providing black start service (but which is not deactivating) continue operating, the notice shall request that such unit voluntarily fulfill its commitment period to provide black start service.
3. In the event that the notice requests that a black start unit proposed for deactivation continue operating, the notice shall provide an estimate of the time period that the black start unit is needed to operate beyond its proposed deactivation date.
4. Within 30 calendar days of such notice by PJM, the black start unit owner shall notify PJM whether the black start unit will continue operating beyond its proposed deactivation date or withdrawal date.
5. A black start unit proposed for deactivation that operates beyond its deactivation date shall be compensated pursuant to the deactivation procedures set in Section 9 of this Manual, and in Part V of the PJM OATT.
6. A black start unit proposing to withdraw from providing black start service (but which is not deactivating) that continues providing black start service for its commitment period shall receive black start service revenues pursuant to Schedule 6A of the PJM OATT but will not be eligible for compensation pursuant to Part V of the PJM OATT.
7. In the event that, through the First or Second Incremental RFP process described above, a replacement black start resource is identified, and so long as any other mitigation measures identified by PJM under Part V of the PJM OATT are in place, PJM, as soon as practicable, shall notify the black start unit owner of such replacement, that its black start unit no longer will be needed for reliability, and the date the black start unit may withdraw from providing black start service or deactivate without affecting reliability.

10.3 Black Start Reliability Backstop Process

10.3.1 Reliability Backstop Process Step 1

PJM and TO discuss the black start shortage and the possibility of triggering the Reliability Backstop RFP.

The triggers for the Reliability Backstop process are:

1. A Black Start generation shortage in a TO zone; AND
2. Two failed RFPs (no technically viable solutions to address the Black Start shortage are identified or cost recovery terms that do not conform to the PJM OATT):
    a. Two failed Incremental RFPs, or
    b. Failed RTO Wide RFP and one failed Incremental RFP; AND
3. No cross-zonal solutions available; AND
4. No RTEP transmission solutions available (e.g., operational performance baseline upgrade).

Targeted Timeline: Within 5 days of determination of failed Second Incremental RFP

10.3.2 Reliability Backstop Process Step 2

PJM, TO and affected State(s) will discuss the Black Start shortage situation including the benefits and costs of the TO proposal and the implications of the shortage of Black Start to the restoration plan. Considering these discussions, PJM will determine whether to issue Reliability Backstop RFP. If Reliability Backstop RFP is not issued, PJM will actively monitor the Black Start shortage.

In the event that PJM and the TO do not agree on the decision concerning the Reliability Backstop RFP, PJM will initiate a review with the SOS-T for additional technical assessment and if after the SOS-T evaluation, an agreement is not yet achieved, the PJM Dispute Resolution process will be employed. Please refer to Section 4 of the PJM Manual for Administrative Services for the PJM Interconnection Operating Agreement (M33) for more details about the PJM Dispute Resolution process.

Targeted Timeline: Within 10 days of determination of failed 2nd RFP

10.3.3 Reliability Backstop Process Step 3

Once PJM determines that the Reliability Backstop Process is required, it will issue the Reliability Backstop RFP. As part of this online notification, the TO solution will be made public (except for information that is Critical Energy Infrastructure Information). The TO solution may be owned by the TO, by a generation owning affiliate or contracting for by the TO with a generation owning third party. The TO has the obligation to submit a solution proposal within the Reliability Backstop RFP. The RFP will indicate that any proposed Black Start unit, whether it is a TO proposed unit, or a GO proposed unit, will be used for Black Start purposes only. The unit will NOT participate in the capacity market, energy market or other ancillary service markets except Black Start. The unit will run for Black Start and Black Start testing purposes only.

The Reliability Backstop RFP will be conducted on an accelerated schedule of 30 days.

Targeted Timeline: Within 15 days of determination of failed 2nd RFP

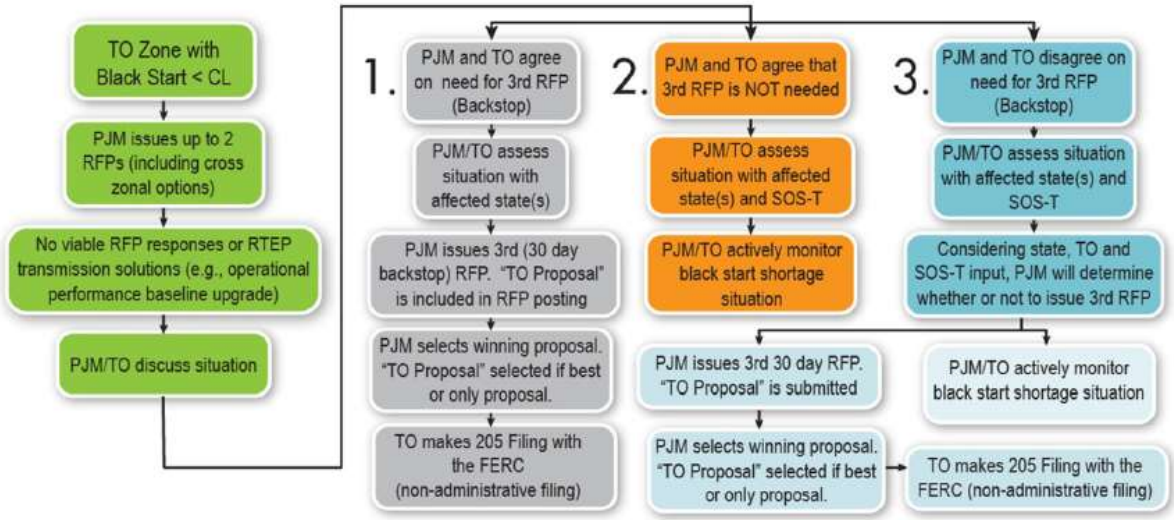
10.3.4 Reliability Backstop Process Step 4

PJM will evaluate any responses from the Reliability Backstop RFP in comparison with the TO solution. If the TO solution is the only option received (or the best option received), it will be implemented.

It will be the responsibility of the TO to submit a filing with FERC under the Federal Power Act, as necessary, to recover costs (capital costs, ongoing O&M costs, depreciation and/or fuel) as Transmission Assets. Such cost recovery would be in Attachment H for TO owned generation, or such other revenue requirement filed with and accepted by FERC, or as contracted for outside of the PJM OATT, Schedule 6A. For GO owned BS, recover through Schedule 6A of the PJM OATT or FERC filing.

Any Black Start generation acquired in the Reliability Backstop RFP (regardless of ownership or cost recovery method) must adhere to all Black Start testing and performance requirements as described in PJM OATT, Schedule 6A and the PJM Manuals.

10.3.5 Reliability Backstop Process Flow Chart


TO Zone with Black Start < CL
PJM issues up to 2 RFPs (including cross zonal options)
No viable RFP responses or RTEP transmission solutions (e.g., operational performance baseline upgrade)
PJM/TO discuss situation
1.
PJM and TO agree on need for 3rd RFP (Backstop)
PJM/TO assess situation with affected state(s)
PJM issues 3rd (30 day backstop) RFP. "TO Proposal" is included in RFP posting
PJM selects winning proposal. "TO Proposal" selected if best or only proposal.
TO makes 205 Filing with the FERC (non-administrative filing)
2.
PJM and TO agree that 3rd RFP is NOT needed
PJM/TO assess situation with affected state(s) and SOS-T
PJM/TO actively monitor black start shortage situation
PJM issues 3rd 30 day RFP. "TO Proposal" is submitted
PJM selects winning proposal. "TO Proposal" selected if best or only proposal.
3.
PJM and TO disagree on need for 3rd RFP (Backstop)
PJM/TO assess situation with affected state(s) and SOS-T
Considering state, TO and SOS-T input, PJM will determine whether or not to issue 3rd RFP
PJM/TO actively monitor black start shortage situation
TO makes 205 Filing with the FERC (non-administrative filing)