

Proposal to Address Providers of Local
Black Start and Restoration Services in
Load Zone J
(New York City)

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Overview 1

- The OATT, Rate Schedule 6 covers “Black Start Service”, while Rate Schedule 5 of the Services Tariff covers “Payments for Black Start Capability.”
- State-wide Black start and system restoration services and charges are provided for and paid for by all NYCA loads.
- Parts of the NYCA Power System require additional Black start services which are managed by local Transmission Owners and paid by loads in the respective zone(s)
- This presentation addresses a local system restoration plan.

Overview 2

- Current tariff provisions address compensation as follows:
 1. “Capital and fixed operation and maintenance costs associated with only those facilities within Generators that provide Black Start Capability; [based on FERC Form No. 1 or “equivalent data”] and
 2. “annual costs associated with training operators in system restoration”.
- Very little detail about other terms and conditions provided.

Principles for New Proposal:

- Establish generation requirements needed to restore network loads in Load Zone J (New York City)
- Establish appropriate and verifiable testing procedures and demonstrate soon thereafter that generation equipment in NYC can safely shutdown and start-up as soon as possible after a blackout
- Establish a new annual compensation plan that more accurately reflects the costs and benefits of the service provided in Load Zone J

The Plan (Load Zone J)

- Con Edison specifies the generation assets that are needed to provide Black Start and Restoration Services in New York City
- Suppliers are designated for participation in Restoration Plan for a minimum three-year period with a one-year opt-out notice provision that can be exercised by Con Edison or supplier.
- System Restoration Units must synchronize to the transmission grid or energize a portion of the transmission grid, as required, when notified by the Con Edison System Operator, without assistance from a transmission system network electrical supply.

The Plan (Load Zone J)

- System Restoration Units must perform under three possible scenarios:
 1. Load Restoration with External Ties and Generation
 2. Load Restoration without External Ties
 3. Combination of both 1 and 2

The Plan (Load Zone J)

- Detailed and rigorous testing requirements established through lengthy negotiations and numerous technical meetings.
- Many System Restoration Units in Load Zone J successfully completed tests over the past few months.

Compensation (Load Zone J)

- System Restoration Units will be compensated on a per location and facility basis which reflects the sites' relative values in restoring the Load Zone J transmission system and network loads.
- Owners of System Restoration Units will be reimbursed for operator training costs and variable costs associated with annual testing

Table of Annual Payments		
	Steam Turbine	Gas Turbine
345 kV	\$350,000/yr/unit	\$350,000/yr/site
138 kV	\$300,000/yr/unit	\$300,000/yr/site

Other local providers of Black Start and System Restoration Services

- O&R – 1 provider
- Central Hudson – 1 provider
- Discussions underway regarding terms and conditions of service and compensation in upstate zones.

Next Steps

- Develop tariff amendments to reflect agreements reached for Load Zone J and submit to FERC as soon as practicable.
- Put resolution of upstate issues on a fast-track -- targeting October BIC meeting.