

Rate Schedule 5

Payments For Black Start Capability

This Rate Schedule applies to payments to Suppliers who provide Black Start Capability Service to the ISO. The ISO shall make Black Start Capability payments only to those selected Suppliers that have appropriate Black Start equipment installed and available for service at the request of the ISO.

1.0 Requirements

The ISO shall develop and periodically review a Black Start restoration plan for the NYS Power System. The ISO may amend this restoration plan and determine Black Start requirements to account for changes in system configuration if the ISO determines that additional Black Start resources are needed. The ISO shall have the flexibility to seek Bids for new resources when it amends the current plan. The ISO shall establish procedures for acquiring Black Start Capability and testing selected Generators providing this service. The ISO shall make Black Start Capability payments only to those selected Suppliers that have appropriate Black Start equipment installed and available for service at the request of the ISO.

The full restoration of the NYS Power System will require some additional Black Start

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Generators, which are located in local Transmission Owner areas and which are not presently listed in the ISO restoration plan. Although the ISO plan will restore a major portion of the NYS Power System there are portions of the NYS Power System that will remain under Transmission Owner restoration control. Where the Transmission Owner's restoration plan requires additional Black Start service, the ISO will make payments for local area Black Start Capability directly to the Generators that provide that service, under the terms of this Rate Schedule. The LSEs in those local Transmission Owner areas will be additionally charged for that Black Start service by the ISO under the ISO OATT. Generators, which are obligated to provide Black Start service as a result of divestiture contract agreements, will not receive ISO payments for that service if they are already compensated for such service as part of those divestiture contracts.

2.0 Payment for Black Start Capability

By May 1st of each year, the following embedded cost information for Black Start equipment located at the Generators which were selected as essential for system restoration must be provided to the ISO based upon FERC Form No. 1 or equivalent data:

- Capital and fixed operation and maintenance costs associated with only those facilities within Generators that provide Black Start Capability; and
- Annual costs associated with training operators in system restoration.

Each Supplier will be paid on the basis of its costs filed with the ISO. The daily rate for

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Black Start Capability will be determined by dividing the Generator's annual cost by the number of days in the year from May 1st through April 30th of the following year.

The ISO (and Transmission Owner, when applicable) shall conduct Black Start Capability tests for providers of Black Start Capability. Any Generator that is awarded Black Start Capability payments and fails a Black Start Capability test shall forfeit all Black Start Capability payments made to that Generator since its last successful test. Payments to that Generator shall not resume until it successfully passes the Black Start Capability test.

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