

Black Start Task Force

September 23, 2003

(Redlining by NYISO for Nov. 14 Meeting)

Current Statewide Black Start Statistics:

Statewide total mws: 2140

Total payment: \$207,000 (Provider: New York Power Authority)

Current per KW Rate: \$.10 per kw/year
(however, per Services Tariff, payment is on a “per day” basis, approx. \$568/day, based on above)

Local Black Start Statistics

Total Con Ed locational payment (per CE OATT): Approximately \$5.25 million**

--Subject to review and verification by Con Edison

(This revenue requirement, which was presented to the FERC, was based on recovery of entire book cost of the associated GTs, rather than the Black Start facilities in Acct. 345 – Accessory Electric Equipment, only)

Assumption for Con Ed local plan (subject to verification): 2600**

This is an incorrect assumption – Con Ed has confirmed that Black Start sites designated under its current plan comprise less than 200 MWs in total.

Based upon assumptions, rate equals \$2/kw yr**

**** Subject to review and verification by Con Edison**

Note: There are a minimum of two other local black start plans

New England plan:

Rate: \$3.75 per kw year for 2003 (escalates .25/kw yr through 2006)

Current supply approximately 1600 mws

Total ISO NE payment for 2003: \$6 million

NE system size—21,000 mws

Historic cost-based model changed due to administrative, audit and pricing issues
(1998 rate \$1.67 up increased to \$3.13 in 2001)

PJM Plan:

Current rate: \$1.20/kw yr

Capacity in plan: 4000 mws

Total payment \$5 million

PJM system size—55-60,000 mws

Options for NY going forward

- 1) \$/kw yr fixed rate approach--Adopt New England approach—3.75/kw yr now escalating .25 through 2006
- 2) Split fixed fees statewide vs. local—adopt \$3.75 for local and have different rate for statewide
- 3) Current Services Tariff Cost-based rate – develop proxy costs based on TO historical data, if costs not provided by supplier
- 4) Use New England plan—take existing figures (\$2 local, .10 statewide)—for local \$1.75 is used as incentive payment; for statewide, 1.75 plus .10 for 1.85 rate
- 5) Use \$2.00 cost across the NYCA for payment
- 6) Use PJM methodology for statewide; NE method for local
- 7) Phase in New England plan rates
- 8) Hydro vs. fossil rates
- 9) (added by NYISO) – apply an “incentive factor” (such as PJM’s approach) to current cost formula to encourage continued supplier availability