

**Proposal to Address Existing Providers of  
Local Black Start and System Restoration Services  
in O&R and CH control areas**

**Business Issues Committee  
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## **Overview 1:**

- **Three TOs have local system restoration plans on file with the NYISO:**
  - **Con Edison**
  - **O&R**
  - **CH**
- **The local restoration plans are intended to augment the NYISO's statewide system restoration plan.**
- **The NYISO Tariffs (ST, Rate Schedule 5 and OATT, Rate Schedule 6) address black start service and compensation**
  - **little detail provided**
  - **compensation component has a “pre-divestiture” design**

## **Overview 2:**

- **Con Edison and the three local providers designated in its plan have reached agreement on testing requirements, performance obligations, and compensation for black start and system restoration services to be provided in the future.**
- **The need for local black start/restoration support – and the benefit of this service – is location specific.**
- **The value of the services provided will vary according to location specific factors.**
- **Services --**
  - **Black Start**
  - **System Restoration**

### **CH/Dynegy Background:**

- **Transfer of ownership (Danskammer Generating Station) from CH to Dynegy – January 31, 2001.**
- **Danskammer connected at 115kV level**
- **Since 2001, Danskammer has been included in CH's restoration plan**

### **O&R/Mirant Background:**

- **Three sites owned by Mirant (GT @ 345 kV; GT @ 138kV; Hydro units @ 138kV or lower) listed in O&R's restoration plan.**

## **Testing and Performance Requirements:**

- **Con Edison protocols acceptable in principle to upstate TOs and suppliers. Details will need to be modified based on generating unit(s) and location specific requirements.**
  - **A work in progress**

## **Local needs and benefits:**

- **Location and equipment specific details will determine value and therefore compensation.**
  - **Also, a work in progress**

## **Guiding principles:**

- **Services provided in the future should be reliable (successfully tested on a regular basis) and add value to system restoration efforts (enable load to be connected faster than it would be in the absence of local black start/restoration support).**
- **Providers should be reasonably compensated for risk and costs of providing service.**
- **Compensation programs under discussion designed to adequately address existing black start capability.**
- **Compensation levels required to attract new black start capability not tackled. Yet.**

## **Next steps:**

- **Upstate TOs, local providers and NYISO work out details in accordance with issues and principles outlined above.**
- **Design of a reasonable and adequate compensation plan is an integral component of next phase of effort.**

## **BIC Action:**

- **Recommend that MC consider and act on a detailed program proposal – including compensation plan – addressing O&R, CH and its local providers, at its October meeting. Program and compensation plan shall reflect issues and principles presented to the BIC on September 21.**