



Manu Asthana  
President & CEO  
manu.asthana@pjm.com  
610.666.2232

**Via e-mail**

April 5, 2021

PJM Interconnection  
2750 Monroe Blvd.  
Audubon, PA 19403

D. Richard Beam  
Senior Vice President of Power Supply and COO  
Old Dominion Electric Cooperative

Pamala M. Sullivan  
Chief Operating Officer  
American Municipal Power, Inc.

Re: Your Letter dated March 31, 2021 to the PJM Board of Managers on Black Start

Dear Mr. Beam and Ms. Sullivan,

Thank you for your letter dated March 31, 2021 concerning the March 29, 2021 Members Committee vote on Black Start service that included provisions on Black Start Unit Testing, Capital Recovery Factors ("CRFs"), Involuntary Termination, Minimum Tank Suction Level Recovery, and Substitution Rules.

As you are aware, the stakeholder discussions and process on this topic were very robust. Stakeholders across the spectrum concurred with your perspective that the reliability aspects of the proposal were improvements and should be approved.

As you are also aware, the CRF and commitment period aspects of the proposal generated controversy regarding the application of the new rules to units that had previously received a black start commitment. In the stakeholder process, there was significant stakeholder discussion regarding the application of the new rate and commitment period to the existing black start resources. Many of the black start service providers asserted that they had relied upon the existing CRF rate in making their investment decisions and that there was insufficient indication that the CRF would change and under what circumstances. Other parties asserted that black start service is a formula rate and thus the revised CRF should be applied to the existing units prospectively.

PJM was persuaded by the arguments advanced by the black start service providers that the new rate should be applied only to the new black start units, but understands that it is important to get these issues before FERC for resolution. PJM's plan is to file the leading stakeholder proposal that garnered the most votes, with the recognition that it was not approved by the Members Committee.

Thank you for your feedback on this issue.

Sincerely,

A handwritten signature in black ink, appearing to read 'Manu Asthana', written over a horizontal line.

Manu Asthana  
President & CEO