

Black Start Alternate Proposal C

Proposal A1C: Must offer into RPM at zero price, including being excepted from the Minimum Offer Pricing Rule if necessary,; Must offer in the Day Ahead energy market at cost-based offer. -No Refurbishment costs in APIR or Energy VOM

Clearing Result in RPM:

If $(BS+ACR) > RPM$, then $BS\ CRF - (RPM\ Revenue - ACR) - EAS\ Revenue$ (i.e. above cost based offer)

If $(BS+ACR) < RPM$, then $RPM + Formula\ Rate$

~~Does not Clear in RPM: Black Start CRF + ACR~~

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Rationale

Proposal C ensures that in exchange for a guaranteed recovery of refurbishment cost or new construction cost, including a guaranteed rate of return, that the resource will be a capacity resource and make energy available at cost in addition to providing Black Start Service. It is reasonable that the load paying for the new or refurbished unit should have as much opportunity as possible to benefit from the value of the unit.