**LSA COMMENTS ON PRR 1610**

LSA opposes PRR 1610, which would require VER self-schedules between project COD and the time when the CAISO is able to produce a forecast for the project, for the reasons listed below.

* **This proposal is contrary to CAISO policy**, which has increasingly encouraged VERs and other resources to submit economic bids. The CAISO has revised the PIRP to allow economic bids, lowered the bid-price floor to encourage economic bids, and established the Flexible Capacity framework with an economic bid requirement.
* **The proposal would impose undue economic risks on VERs.** There has been no analysis performed to estimate the potential economic impact on VERs of this proposal. For example, projects often try to come on-line in the spring in order to be available for the high-NQC-need summer season, and that time period can carry a high negative-pricing risk.
* **The proposal would worsen over-generation and negative pricing risks to other projects and the CAISO system overall.** As large amounts of VER resources come on-line during the spring season in the future (see above), preventing those resources from submitting economic bids will exacerbate seasonal over-generation problems – requiring additional out-of-market actions – and deepen negative pricing during those periods.
* **The proposal constitutes a significant policy change** that warrants a more detailed stakeholder process and possible tariff filing, not implementation through the BPM Change Management Process. For example, while LSA understands the CAISO’s need to train its neural-network forecasting models, a more focused stakeholder process could consider other means of accomplishing the same objective, like excluding intervals where projects are dispatched down pursuant to submitted economic bids.