<u>CPA Comments on PRR 1610</u>

Clean Power Alliance of Southern California (CPA) appreciates the CAISO's commitment to working with stakeholders as it relates to PRR 1610 and concerns with operationalizing new Eligible Intermittent Resources (EIRs).

During a meeting with CPA, CAISO explained their concern with newly operational EIRs stems from the potential for unwarranted BCR if the resource is economically bidding at a level that is inconsistent with the resource's actual output potential given the forecasted production and meteorological data that would be collected during the first curtailment free 30-day period after reaching commercial operations.

In response to the potential for unwarranted BCR payments CAISO proposed, via PRR 1610, to require SCs of "Stage 2" EIRs to self-schedule the resource for 30 days while CAISO collects the output and meteorological data that allow for forecasted output data used in economic bids. CPA highlighted for CAISO this proposal would expose EIR Scheduling Coordinators (SCs) to negative pricing risks without any means to mitigate them—risks that are increasing in both frequency and severity.

CPA noted there were other ways to reduce the potential for unwarranted BCR payments that would be more precise at addressing their concerns while mitigating the negative pricing exposure under PRR 1610 as written. While CPA is not explicitly proposing any of the following options currently, these are examples of ways to address CAISO's concerns:

- Remove intervals with any negative Supplemental Energy (SUPP) value from training data.
- Apply outlier detection techniques to exclude curtailment periods.
- Insert an indicator variable to directly control for the impact of curtailment in the forecasting model
- Continue expanding the training dataset dynamically after the initial 30-day period instead of basing all forecasts on a fixed 30-day period.

CPA believes alternatives, such as those mentioned above, could be considered with further input as part of a CAISO stakeholder initiative. CPA notes a stakeholder initiative is a necessary process under the CAISO's tariff if CAISO is proposing to change how EIRs that have reached COD can bid. CPA further notes it has been our experience that CAISO operations do not allow economic bids of newly operational EIRs today which if true would be inconsistent with their tariff as in effect would mean PRR 1610 was already in place, and we request clarity on this matter.

Lastly, CAISO informed CPA that PRR 1610 will be put on hold and the CAISO will be releasing an initiative to address their concerns. CPA supports a stakeholder initiative consistent with the CAISO's tariff and we look forward to working with the ISO and stakeholders on this matter.