

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



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Order Instituting Rulemaking to Oversee
the Resource Adequacy Program, Consider
Program Reforms and Refinements, and
Establish Forward Resource Adequacy
Procurement Obligations.

R.23-10-011

**OPENING COMMENTS OF AES CLEAN ENERGY DEVELOPMENT, LLC
(US) ON THE PROPOSED DECISION ADOPTING LOCAL CAPACITY
OBLIGATIONS FOR 2025-2027, FLEXIBLE CAPACITY OBLIGATIONS FOR 2025,
AND PROGRAM REFINEMENTS**

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Date: June 06, 2024

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2027, FLEXIBLE CAPACITY OBLIGATIONS FOR 2025, AND PROGRAM
REFINEMENTS**

I. INTRODUCTION

AES Clean Energy submits these Opening Comments on the proposed *Decision Adopting Local Capacity Obligations for 2025-2027, Flexible Capacity Obligations for 2025, and Program Refinements* (PD). AES Clean Energy is focused on accelerating the safe, reliable transition to clean energy solutions such as wind, solar, and energy storage in the U.S. Through its affiliates and subsidiaries, AES Clean Energy maintains an operating portfolio of over seven gigawatts, more than seven gigawatts in construction and a development pipeline of approximately 50 gigawatts. In California, AES Clean Energy operates over two gigawatts of clean energy projects and has about two gigawatts under construction.

II. AES Clean Energy Development Endorses the Commission’s Proposed Decisions

AES Clean Energy Development endorses the PD’s revision of the counting rules for hybrid and co-located resources. We also agree with the decision to hold off on implementing a UCAP methodology. Furthermore, AES Clean Energy Development supports the inclusion of new resources, which come online after T-30 and before the beginning of the RA compliance month

(T-1), in that month's RA compliance. These decisions are well-reasoned and substantiated by the record.

III. AES Clean Energy's Supports Extending the Cure Period to All Months

AES Clean Energy appreciates the PD's adoption of a cure period that allows new resources with a COD after T-30 and before the start of the RA compliance month (T-1) to contribute to that month's RA compliance. AES Clean Energy believes the cure period reflects a proactive approach to bolstering grid reliability and optimizing resource utilization.

While AES Clean Energy acknowledges the benefits of this interim measure, we advocate for a comprehensive, year-round application of this rule change rather than limiting it to specific months. Our analysis indicates that a permanent implementation would mitigate potential reliability concerns and alleviate economic inefficiencies that burden ratepayers. AES Clean Energy remains confident that the proactive adoption of this administrative rule change will yield substantial long-term benefits, given the dynamic landscape of resource development in California.

IV. AES Clean Energy Advocates for a Holistic Approach to Storage Charging Sufficiency

AES Clean Energy strongly supports the proposal for an initial system-wide storage charging sufficiency test before evaluating sufficiency at the LSE level. Evaluating charging sufficiency initially at a system level would result in efficiencies that would likely reduce costs for ratepayers, given the availability of excess energy during the solar hours. Requiring deficient LSEs to procure capacity to make up any charging sufficiency shortfalls should be sufficient to prevent improper leaning, while not requiring LSEs to procure charging capacity when such capacity is not needed at the system level. To the extent that the Commission declines to adopt the system-level charging sufficiency test at this time, we urge the Commission to continue to consider more proactive and efficient approaches to charging sufficiency in future tracks.

V. CONCLUSION

AES Clean Energy appreciates the opportunity to submit these Comments on the proposed *Decision Adopting Local Capacity Obligations for 2025-2027, Flexible Capacity Obligations for 2025, and Program Refinements.*

Respectfully submitted,

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