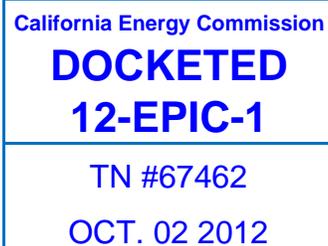


Oct. 2, 2012

California Energy Commission
Dockets Office, MS-4
Re: Docket No. 12-EPIC-01
1516 Ninth Street
Sacramento, CA 95814-5512
docket@energy.ca.gov



Re: Comments of the California Energy Efficiency Industry Council on the Proposed 2012-2014 Triennial Investment Plan for the Electric Program Investment Charge Program (Docket No. 12-EPIC-01)

To Whom It May Concern:

The California Energy Efficiency Industry Council (Efficiency Council) respectfully submits these written comments on the Proposed 2012-2014 Triennial Investment Plan for the Electric Program Investment Charge Program (EPIC).

The Efficiency Council is a statewide trade association of non-utility companies that provide energy efficiency services and products in California.¹ Our member businesses employ many thousands of Californians throughout the state. They include energy service companies, engineering and architecture firms, contractors, implementation and evaluation experts, financing entities, workforce training entities, and manufacturers of energy efficiency products and equipment. The Efficiency Council's mission is to support appropriate energy efficiency policies, programs, and technologies that create sustainable jobs and foster long-term economic growth, stable and reasonably priced energy infrastructures, and environmental improvement.

The Efficiency Council is pleased to see significant support for energy efficiency across the investment areas in the Energy Commission's staff draft 2012-2014 Triennial Investment Plan. We urge the Energy Commission to continue emphasizing innovation in energy efficiency in order to help maximize the opportunities for continued energy savings in the state. As we have noted previously, while energy efficiency helps meet the state's energy goals, it also reduces greenhouse gases, creates sustainable jobs, fosters long-term economic growth, and creates savings for utility customers.

¹ More information about the Efficiency Council, including information about the organization's current membership, Board of Directors, and antitrust guidelines and code of ethics for its members, can be found at www.energycouncil.org.

The Efficiency Council has supported and provided comments throughout the Public Utilities Commission proceeding (R.11-10-003) and during the Energy Commission's earlier request for comments.^{2,3,4,5,6,7,8} We are now providing input based on some of the questions posed by staff in the Sep. 27, 2012 workshop materials. As requested during the workshop, we are not reiterating our Aug. 17, 2012 comments except in cases where they are not yet reflected in the draft investment plan but are within the scope of the EPIC program.

Program Scope

The Efficiency Council is generally supportive of the program scope identified in the draft investment plan and is pleased to see emphasis on energy efficiency technology and processes, as well as cross-cutting demand-side innovations, in many initiatives. We are particularly supportive of the initiatives that further the development of comprehensive and whole-building retrofits. One caution is to ensure that when going forward with program solicitation, the initiatives are not so narrowly focused as to unintentionally pick technology winners or create solutions that are too customized to promote scalability, especially in bridging the commercialization valley of death.

The Efficiency Council is highly supportive of the objective to share information among stakeholders through a web portal, central database, or other means, in order to increase collaboration and further innovation. We also support the market research objectives in the Market Facilitation area (S.16.3, S.16.4, S.16.5) but we would like to see them expanded in scope and audience. In addition to the policymakers who benefit from the proposed market research initiatives by being better equipped to track the program's success, have greater insight in designing future initiatives, or are better able to choose the most effective policy strategies for greater clean energy adoption, the Efficiency Council believes that the technologists and investors need market research on the state of technologies, markets, end-uses, and policy information to drive and stimulate RD&D innovation and investment. For example, as we noted in our earlier comments (we use efficiency as an example since that is our area of expertise but we believe our comments apply to other energy technology areas as well), we

² Efficiency Council. "Reply comments in response to the Phase 2 Proposed Decision Establishing Purposes and Governance for the Electric Program Investment Charge and Establishing Funding Collections for 2013-2012." May 21, 2012. <http://www.cpuc.ca.gov/EFILE/CM/167135.pdf>

³ Efficiency Council. "Comments in response to the Phase 2 Proposed Decision Establishing Purposes and Governance for the Electric Program Investment Charge and Establishing Funding Collections for 2013-2012." May 14, 2012. <http://www.cpuc.ca.gov/EFILE/CM/166496.pdf>

⁴ Efficiency Council. "Comments in response to the Phase 2 Scoping Memo and Ruling of Assigned Commissioner and Administrative Law Judge Regarding EPIC RD&D Program." March 7, 2012. <http://www.cpuc.ca.gov/EFILE/CM/161627.pdf>

⁵ Efficiency Council. "Comments in response to Phase 1 decision establishing interim RD&D and renewables program funding levels." December 5, 2011. <http://www.cpuc.ca.gov/EFILE/CM/154969.pdf>

⁶ Efficiency Council. "Reply comments in response to the Order Instituting Rulemaking Regarding Impact on Public Benefits Associated with the Expiration of Public Goods Charge." October 25, 2011. <http://www.cpuc.ca.gov/EFILE/CM/146238.pdf>

⁷ Efficiency Council. "Comments in response to the Order Instituting Rulemaking Regarding Impact on Public Benefits Associated with the Expiration of Public Goods Charge." October 20, 2011. <http://www.cpuc.ca.gov/EFILE/CM/146140.pdf>

⁸ Efficiency Council. Comments on First Triennial Investment Plan for the EPIC Program. August 17, 2012. http://www.energy.ca.gov/research/epic/documents/comments/2012-08-17_Comment_from_the_California_Energy_Efficiency_Industry_Council_TN-66825.pdf

recommend a study that identifies gaps or needs within the energy efficiency market, starting at the system level, then drilling down into needs for specific technologies or approaches. Second, we suggest public information targeted for technologists and investors that describe the current state of energy efficiency policy drivers in California, including codes and standards, that enhance the markets for new technologies and solutions. Such information will help technologists understand the potential markets and drivers for their products. Third, we recommend having market opportunity information available to help companies with innovative technologies identify the best market segments for targeting RD&D or later-stage commercialization efforts. This information helps companies attract investment and allows them to better target their limited resources, thereby increasing their chances of success.

Project Match Funding

The Efficiency Council strongly believes that a minimum match or a match scoring criterion may not be appropriate for initiatives that fund innovative strategies and methods to enhance adoption of clean energy technologies, areas that the CPUC included in EPIC and that are reflected in the staff's draft investment plan. While a match is appropriate for partners that are investing their own resources to take products to market, some projects, especially those focused on integrated solutions, need advancement and innovation in processes and methods. System integrators are highly experienced and essential for innovating in these areas but they do not have proprietary products to take to market and thus would not see a return on investment for matching funds. We recommend that the Energy Commission reduce emphasis on the matching requirement or scoring for process-focused initiatives in all three research areas.

Solicitation Process

During the workshop, one commenter suggested a two-stage solicitation process for proposals. The Efficiency Council is supportive of this process as it may increase the quality of proposals while reducing wasted time and effort by both proposers and evaluators. The CPUC is currently considering a two-stage solicitation process for new third-party energy efficiency program proposals, called IDEEA365, as part of the 2013-2014 energy efficiency portfolio applications by the four investor-owned utilities (Proceeding A.12-07-001 et al). The CPUC and utilities are also considering other improvements to the solicitation process. We recommend coordination with the CPUC to identify any areas in which its effort to improve solicitations could apply to the EPIC program.

Advisory Structure

The Efficiency Council supports the staff's proposal to appoint technical or project advisory committees composed of diverse professionals for the research projects. We would consider serving on committees or could recommend parties to support the energy efficiency initiatives.

Conclusion

The EPIC program offers significant opportunity to move innovative energy efficiency and other clean energy technologies forward in the marketplace. The Efficiency Council is pleased to offer comments on the staff's draft investment plan and encourages the Energy Commission to continue its support of energy efficiency innovations that result in energy savings. We look forward to continuing to work with the Energy Commission and other stakeholders in the process going forward.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'S. Schiller', with a long horizontal flourish extending to the right.

Steven R. Schiller, P.E.
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