

February 23, 2015

Dear Commissioner McAllister:

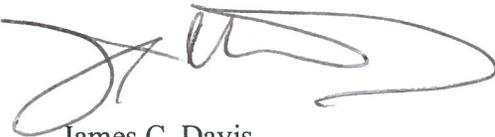
I am writing you today to express my strong support for the EPIC program and its continued effort to bring advanced energy technologies to market that can help California reach its energy policy goals.

Smart Wires Inc. is a California-based engineering and manufacturing firm specializing in distributed power flow control for the electric transmission network. Smart Wires' first product, the PowerLine Guardian, grew out of an academic setting and is currently being installed on a Pacific Gas & Electric's (PG&E) transmission line as a part of the EPIC program.<sup>1</sup> Smart Wires' collaboration with PG&E is shaping up to be a huge success and will prove the PowerLine Guardians' ability to avoid load shedding during contingencies. Smart Wires is also working with other major California utilities on projects using PowerLine Guardians in other applications such as congestion relief, transmission upgrade deferral, capital-efficient transmission upgrades, and renewable energy integration. Smart Wires is a perfect example of how public investment into these late-stage commercialization projects can produce tremendous return on investment for rate-payers. I believe it is essential that the California Energy Commission continue to fund across the spectrum of energy research – from fundamental science to commercialization – with special emphasis on those technologies close to commercialization, as they have the least amount of risk and the greatest likelihood of wide-scale adoption.

Smart Wires is currently developing a second generation power flow controller, the Tower Router, which provides more flexibility for less cost. A demonstration project of this technology is a critical step towards commercialization as it proves that the technology lives up to its potential. Secondly, demonstration projects gives the utility experience with a technology that previously did not exist – an important step that allows the utility to use the technology to its full potential. Additionally, these demonstrations prove that the new technology places no additional burden of risk on rate-payers, and allow utilities to justify their purchase to their public utility commissions.

Smart Wires is excited to be working with California Energy Commission to meet California's energy policy goals. Focusing EPIC funds toward late-stage commercialization of advanced energy technologies, such as Smart Wires' Tower Routers, will be a critical part of meeting those goals.

Sincerely,



James C. Davis  
CEO, Smart Wires Inc.

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<sup>1</sup> <http://www.pge.com/en/about/environment/pge/epic/epic109c.page>