



UC DAVIS ENERGY INSTITUTE

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16 August 2012

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

California Energy Commission

**DOCKETED
12-EPIC-1**

TN # 66789

AUG 17 2012

Re: First triennial investment plan for the Electric Program Investment Charge

I wish to compliment and commend the State on its comprehensive approach toward the development of the EPIC investment plan supporting the transition to a sustainable energy system. The emergence of a mechanism by which to continue and expand significant research, demonstration, and commercialization efforts toward efficient and clean energy conversion and use is encouraging.

The recent scoping workshops have already generated substantial comment regarding specific elements of the plan and its primary guiding principle of providing ratepayer benefits. The complementary guiding principles associated with the plan relate more broadly to what would appear to be a critical need for the state to adopt a systems perspective in identifying how ratepayer benefits are to be assessed and how the various funding instruments are conceived. The clarifications regarding both the primary and complementary principles that the CPUC adopts in its phase 2 decision on purposes and governance for EPIC and contained in its order are useful but will require further elaboration and formal structuring for the purposes of providing clear evaluation procedures and assessment metrics to help guide proposals submitted to and projects conducted under the program. Ratepayer as well as full societal benefits will arise both directly and indirectly from activities under EPIC, as will direct and indirect costs. Any attempt at optimization will, of course, require well defined objectives, each potentially producing a different outcome. An objective to maximize net ratepayer benefits may, for example, yield different technological and policy solutions than an objective to maximize societal benefits or a related multi-objective optimization. Having effective means by which to analyze and predict these effects will be important to overall program success and in helping the program motivate the overall positive change the state desires in energy supply and demand. In addition to the questions targeted in the workshops, an early focus on defining procedures to quantify the energy, employment, and other economic, environmental, and social sustainability metrics identified in the order should prove useful in the development of the investment plan and the accompanying funding mechanisms and eligibility criteria and requirements.

Regarding energy education and outreach, the University of California and other institutions have over the years and often with state support developed substantial capacity to facilitate and manage activities in these areas. Significant federal support has also been invested in many of the programs administered by these institutions. Such programs also often provide direct links to basic research complementing the applied research, technology demonstration and deployment, and market facilitation areas comprising the EPIC program. In developing any new education and outreach activities within the EPIC framework, close coordination with these programs and institutions should be considered.

Sincerely,



Bryan M. Jenkins, Professor
Director, UC Davis Energy Institute