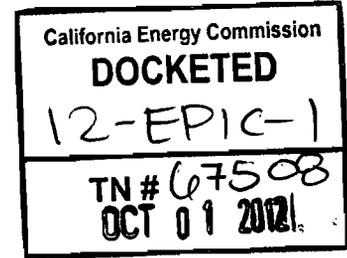




GAVIN NEWSOM
LIEUTENANT GOVERNOR



September 28, 2012

California Energy Commission
Dockets Office, MS-4
1516 Ninth Street
Sacramento, CA 95814-5512

Subject: Docket No. 12-EPIC-01 – Marine Renewable Resources

To the California Energy Commission:

Please accept the following comments on the Electric Program Investment Charge (EPIC) Proposed 2012-2014 Triennial Investment Plan:

I am extremely supportive of the further development and deployment, of cost effective clean energy production of all kinds and wish to particularly communicate my support for the orderly development of ocean renewable energy technologies in California's offshore waters.

1. I appreciate the inclusion of ocean wave energy and offshore wind energy within the Triennial Investment Plan and support full funding for: *Strategic Objective S4, "Develop Emerging Utility-Scale Renewable Energy Generation Technologies and Strategies to increase power plant performance, reduce cost and expand the resource base,"* (page 60)
 - a. *S4.4 – Proposed Funding Initiative – Investigate the Economic, Environmental and Technical Barriers to Offshore Wind in California* (page 66)
 - b. *S4.5 – Proposed Funding Initiative - Investigate the Economic, Environmental and Technical Barriers to Wave Energy Conversion in California.* (Page 67).
2. As many of our marine energy organizations are California based universities and research laboratories, I fully support the funding for *S5.3 – Proposed Funding Initiative – Develop Analytical Tools and Technologies to Reduce Energy Stresses on Aquatic Resources and Improve Water-Energy Management* (page 73). In this regard, the University of California and California State University systems have more than ten major coastal research facilities that can be utilized to support this research, including the planned City Dock #1 facility and wave research laboratory being considered at the Port of Los Angeles.



3. I particularly support the establishment of advanced Technology Readiness Level (TRL) offshore testing facilities for wave and offshore wind projects (*S10.2 – Proposed Funding Initiative – Support Demonstration Testing and Verification Centers to Accelerate the Deployment of Pre-Commercial Clean Energy Technologies* (page 104). Several other U.S. states, such as Oregon and Hawaii, already have limited capability testing facilities in place. Currently, the only advanced TRL-level offshore testing facilities are in Europe, and the marine renewables industry is being drawn to those areas for technology commercialization, manufacturing and other supply chain enterprises. These types of facilities must be established in California in order for the state to compete in this major emerging industry. The EPIC program funding levels could be programmed as an appropriate match or cost share, for that of the U.S. Department of Energy, which is considering funding the \$50.6 million for a major offshore wind demonstration project off of Point Conception which could later be economically expanded to include wave energy technology testing.
4. I am pleased that the U.S. Department of Defense is referenced as a participating organization in the EPIC program, (page 107) which has an ambitious renewable energy goal system-wide, including ocean wave energy production. They are extremely supportive of the marine renewable sector, and have always been an active participant in our industry organization, the Ocean Renewable Energy Council (OREC).

Specific to military facilities, which require a high level of energy independence as a matter of homeland security, *S13.2 – Proposed Funding Initiative – Demonstrate Renewable Energy-Based Microgrids Capable of Sharing Resources Across the Larger Power Grid* would certainly be applicable for wave energy projects at California coastal military facilities, that are located in the high wave/wind areas of Monterey, Point Conception, Ventura, Seal Beach, Camp Pendleton and San Diego.

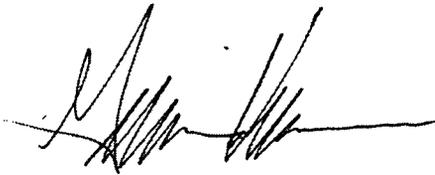
The U.S. Navy's Naval Facilities Engineering Command (NAVFAC) Engineering Service Center at Port Hueneme, California, is also the primary ocean wave energy research center for the U.S. Navy worldwide. Their Hawaii Wave Energy Test Site (WETS), located at U.S. Marine Corps Base Hawaii, and managed in association with the U.S. Department of Energy's Energy Efficiency and Renewable Energy (EERE) is one of several highly successful models for marine energy demonstration facilities in California.

The Navy also has a strong relationship with the California Energy Commission, which discussed its joint biofuels programs with the Navy at Port Hueneme in a July 2012 CEC Press Release. This program should certainly be expanded to encompass wave energy and offshore wind.

The U.S. Air Force is also interested in supporting both ocean wave and offshore wind energy at Vandenberg Air Force Base and would consider being actively involved in the development of offshore test and demonstration facilities by holding a subsea research lease for such facilities from the Bureau of Ocean Energy Management of the U.S. Department of Interior.

Please do not hesitate to contact Kevin Schmidt in my office about these comments about this vital program for our ocean renewable energy industry.

Sincerely,

A handwritten signature in black ink, appearing to read 'Gavin Newsom', with a long horizontal line extending to the right.

Gavin Newsom
Lieutenant Governor