California ISO
Shaping a Renewed Future

California Independent System Operator

California Energy Commission
DOCKETED
12-EPIC-01
TN # 67528
OCT 05 2012

October 4, 2012

California Energy Commission
Docket Office, MS-4
1516 Ninth St
Sacramento, CA 95814-5512

Re: Development of the California Energy Commission Investment Plan for the Electric Program Investment Charge Program
Docket No. 12-EPIC-01

Comments of California Independent System Operator Corporation on the First Triennial Investment Plan for the Electric Program Investment Charge Program

Dear Commissioners:

The California ISO thanks the Energy Commission for the opportunity to submit these comments on the Electric Program Investment Charge Proposed 2012-14 Triennial Investment Plan.

The ISO commends the Commission staff on its swift assembly of the Triennial Plan on a compressed timeline while also incorporating many of the stakeholders' comments and ideas. These ideas include selecting the most promising technology solutions that do not duplicate other ongoing public or private research along with asserting downward pressure on administrative costs.

As the Commission is well aware, the ISO's mandate is to operate the grid in an efficient and reliable manner. With an ever-changing grid, the ISO needs focus on new research in areas such as:

- Demand response capable of participating in the ISO market or that responds consistently with grid conditions
- Demonstration testing of new technology
- Distributed energy resource visibility to support forecasting
- Electric vehicle-to-grid research and demonstrations
- Grid/fleet characteristics and flexibility
- Metering and telemetry advancements
- Microgrids
- Renewable energy weather forecasting
- Renewable generation (both wholesale and retail) integration and visibility
- Smart grid
- Energy storage

The ISO commends the Commission on identifying and allocating tasks and funds across the energy innovation pipeline of Applied Research and Development, Technology Demonstration and Deployment, and Market Facilitation and encourages the Commission to ensure that in doing so it is mindful of supporting the areas of research noted above.

The ISO appreciates the EPIC program's goal to maximize the research funds spent on California-based businesses but wants to reiterate its oral comments that there are numerous non-California agencies and businesses performing highly technical research and studies from which California ratepayers may benefit. These entities should not be precluded from bidding nor should their proposal(s) be ranked lower in the scoring criteria. The ISO also feels the non-competitive awards section is an important concept to incorporate into the plan yet should be used only when there is sufficient proof of the non-competitive award need.

The ISO strongly agrees with the recommendation of creating technical and project advisory committees to review funding requests. The committees would be advisory in nature but would offer valuable insight and guidance in the dispersal of ratepayer funds. The guidance would be based on technical expertise, market knowledge, and industry research knowledge to avoid duplication. The ISO feels the establishment of the Projects Facts Sheets, especially for Applied Research projects, should be part of the regularly scheduled reporting process for projects reviewed by the technical and project advisory committees.

The ISO appreciates the opportunity to offers these comments and looks forward to its continued participation in this matter.

Respectfully submitted,

By: /s/ David S. Zlotlow
Nancy J. Saracino
General Counsel
Anthony Ivancovich
Assistant General Counsel
David S. Zlotlow
Counsel
The California Independent
System Operator Corporation
250 Outcropping Way
Folsom, CA 95630
Tel: (916) 608-7007
Fax: (916) 608-7222
dzlotlow@caiso.com

Attorneys for the California Independent
System Operator Corporation