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New Energy Nexus Comment on EPIC 5 CEC Draft Initiatives

Additional submitted attachment is included below.

Comment on EPIC 5 CEC Draft Initiatives and Research Topics

New Energy Nexus

Thank you for the opportunity to provide input on the California Energy Commission's development of the EPIC 5 Draft Initiatives and Research Topics. New Energy Nexus appreciates the Commission's thoughtful engagement throughout this process and its continued leadership in advancing California's clean energy innovation ecosystem.

For more than a decade, New Energy Nexus has partnered with the California Energy Commission to administer entrepreneurship and commercialization programs that help transform promising clean energy technologies into real-world solutions that improve affordability, reliability, safety, and equity. Through programs such as CalSEED and CalTestBed, we have supported more than 200 companies, distributed over \$64 million in funding and testing support, and helped build one of the strongest clean energy innovation ecosystems in the world.

As the Commission develops EPIC 5, we encourage consideration of a broader lesson that has emerged from California's innovation experience over the past decade: many of the barriers facing innovators today are no longer purely technical. While continued investment in research, development, and demonstration remains essential, success increasingly depends on the ability of innovators to navigate a complex ecosystem of grant funding, testing facilities, manufacturing resources, workforce partners, customers, investors, utilities, local governments, tribal nations, and community stakeholders. In many cases, the greatest barriers to commercialization and deployment are not scientific breakthroughs, but rather access to the resources, relationships, and infrastructure needed to bring technologies to market.

California has already made substantial investments in research infrastructure, demonstration projects, laboratory networks, workforce programs, and technology commercialization initiatives. As EPIC 5 is developed, we believe there is significant opportunity to maximize the value of these investments by supporting the connective tissue that enables them to function as a coordinated system.

When innovators can more easily access funding, testing resources, pilot and demonstration opportunities, deployment partners, manufacturing capabilities, workforce pipelines, and customers, technologies move more quickly toward commercialization and deployment. These ecosystem-level investments complement technology development funding and help complete the pathway through which innovation ultimately delivers affordability, reliability, safety, and environmental benefits to all California ratepayers.

Lessons from CalSEED: Expanding Access and Participation

One of the most important lessons from CalSEED is that public innovation funding can be designed to expand access and participation while simultaneously improving technical and commercial outcomes.

As the first step in California's clean energy innovation pipeline, CalSEED provides non-dilutive funding, technical assistance, and commercialization support to early-stage entrepreneurs. Since its inception, the program has deployed \$48 million in funding, supported hundreds of pilots and demonstrations, helped create nearly 1,400 jobs, and contributed to more than \$1.3 billion in follow-on funding.

Importantly, CalSEED has demonstrated that targeted outreach and technical assistance can significantly reduce historical barriers to participation. More than \$30 million has been awarded to women- and minority-led companies, and more than \$13 million has been directed to projects benefiting disadvantaged communities. The percentage of companies with diverse leadership increases as entrepreneurs advance through the program, demonstrating that access, mentorship, and technical support can help underrepresented innovators successfully navigate the commercialization process.

These outcomes are not only equity successes; they are innovation successes. By broadening participation, California gains access to a larger pool of entrepreneurs, ideas, and solutions capable of addressing the State's most pressing energy challenges.

Lessons from CalTestBed: Leveraging Public Investment for Ratepayer Benefit

CalTestBed offers another important lesson for EPIC 5: strategic investments in commercialization infrastructure can generate significant leverage and public benefit. Through CalTestBed, entrepreneurs receive access to more than 70 testing facilities across the University of California system and Lawrence Berkeley National Laboratory. These third-party testing resources help companies validate performance, identify technical risks, improve product design, and build confidence among customers and investors.

The results have been substantial. CalTestBed's \$22 million public investment has helped catalyze \$1.1 billion in follow-on private investment, creating over 1,200 full-time jobs. Supported companies have advanced technology readiness levels, secured strategic partnerships, and accelerated commercialization timelines.

More importantly, these investments directly support EPIC's core objectives. The technologies supported through CalTestBed improve grid reliability, reduce electricity costs, enhance safety, strengthen distributed energy systems, and accelerate decarbonization. Examples include advanced building controls that reduce energy

consumption and peak demand, distributed energy resource optimization platforms that lower operational costs, second-life battery systems that reduce storage costs, and next-generation grid technologies that improve resilience and reliability.

The pathway from innovation to ratepayer benefit is often indirect but critical. Testing and validation reduce technical risk, which attracts private investment, which accelerates commercialization. Commercialization drives competition, performance improvements, and cost reductions. As EPIC 5 increasingly emphasizes affordability, California should continue investing in commercialization infrastructure that accelerates the deployment of cost-reducing technologies. The experience of CalTestBed demonstrates that modest public investments can unlock substantial private capital, accelerate market adoption, and bring forward technologies that improve efficiency, lower operating costs, reduce peak demand, and avoid expensive infrastructure investments. These outcomes ultimately translate into affordability benefits for California ratepayers.

Additional Strategic Opportunities for EPIC 5

Based on our experience supporting entrepreneurs, manufacturers, workforce partners, tribal nations, and community stakeholders, we believe several opportunities warrant consideration within EPIC 5.

Strengthening Shared Infrastructure and Commercialization Platforms

California's clean energy economy increasingly requires access to shared-use infrastructure that individual companies cannot afford to build on their own. Pilot manufacturing facilities, battery testing and validation centers, materials processing infrastructure, and demonstration platforms can significantly reduce barriers to commercialization while accelerating technology deployment.

This need is particularly acute within strategic sectors such as battery manufacturing, energy storage, grid modernization, and industrial decarbonization, where the costs of pilot-scale validation and manufacturing scale-up remain significant barriers for emerging companies. In addition, California's clean energy goals increasingly depend on resilient domestic supply chains. The State has an opportunity to play a leadership role in strengthening battery manufacturing, critical minerals processing, recycling, and other strategic components of the clean energy value chain.

Supporting shared-use facilities and commercialization infrastructure can help California retain innovation, strengthen domestic supply chains, create quality jobs, and build long-term industrial competitiveness.

Supporting Tribal Energy Sovereignty and Community-Led Deployment

We are encouraged to see EPIC 5's emphasis on community energy resilience and the role of tribal nations in shaping grid evolution. EPIC has an opportunity to support scalable models that help tribal nations and rural communities become active participants in the State's energy transition while improving community resilience and reducing outages.

Through the Tribal Energy Sovereignty Accelerator, New Energy Nexus has partnered with the Torres Martinez Desert Cahuilla Indians to support the development of a Tribal Energy Roadmap, capacity building for Tribal Energy Management, and long-term strategies for tribal energy sovereignty and economic development.

These efforts demonstrate how clean energy investments can simultaneously advance resilience, affordability, workforce development, local ownership, and economic opportunity. Tribal nations and frontline communities often face unique barriers to participation in energy innovation programs, yet they also possess significant opportunities to lead the deployment of distributed energy resources, microgrids, storage systems, and other clean energy solutions.

Conclusion

Across many of the proposed EPIC 5 topics, a common theme emerges: California increasingly understands that achieving its energy goals requires more than technology innovation alone. Success depends on the ability to translate innovation into implementation through testing, validation, deployment support, workforce development, supply chain development, community engagement, and ecosystem coordination.

California has already build world-class innovation assets. Programs such as CalSEED and CalTestBed demonstrate that strategic public investments can catalyze private capital, accelerate commercialization, expand participation, create jobs, strengthen domestic industries, and deliver meaningful benefits to ratepayers.

As EPIC 5 is developed, we encourage the Commission to continue investing not only in technology development, but also in the systems, partnerships, infrastructure, and networks that help innovations reach the market and deliver real-world impact.

The challenges facing California today are increasingly interconnected. Addressing them will require not only breakthrough technologies but also coordinated ecosystems capable of translating innovation into affordability, reliability, safety, and economic opportunity.

We appreciate the Commission's leadership and look forward to continued collaboration in support of California's clean energy future.