

DOCKETED

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Comments Regarding EPIC 5 Investment Plan

Additional submitted attachment is included below.

June 18, 2026

From: Dr. Arne Jacobson
Director, Schatz Energy Research Center
Cal Poly Humboldt

Re: Comment on EPIC 2026-2030 Investment Plan

Dear EPIC representatives,

Thank you for the opportunity to comment on the Electric Program Investment Charge (EPIC) 2026 – 2030 Investment Plan.

I will begin by expressing appreciation for the value that the EPIC program brings to California ratepayers and the state's climate and clean energy goals. Economic and policy experts who analyze the societal benefits of investing in research and innovation have documented the large returns associated with such investments. For example, in an [article published by the National Bureau of Economic Research in 2020](#), Benjamin Jones and Lawrence Summers noted that the average societal return for each \$1 invested in research, assuming a 5% annual discount rate and a 10-year return period, is on the order of \$8. This indicates an enormous benefit. The authors further note that the timeline for realizing returns depends on the type of research and other circumstances. For applied research, the timeline for realizing returns is often on the order of 3 to 10 years, while basic research may have a longer (e.g., 20 year) timeline. While the rate of return for a specific R&D program, such as EPIC, is difficult to measure, studies like the one cited here confirm the value and importance of persistent and expansive investments in innovation.

During a time when California ratepayers are facing significant rate pressure, it is logical to look at all contributions to electricity rates with considerable scrutiny to ensure that charges are reasonable and any investments that are made come with a reasonable and justifiable return. Given the small amount that the EPIC program contributes to electric rates (on the order of

\$0.001 to 0.002/kWh) and the large return that investments in innovation provide, this is definitely a program that merits continuation (and arguably expansion).

With that said, the types of investments included in the portfolio are important to consider, since the areas where the program brings value are closely tied to the nature of its portfolio. Given the need to ensure that electricity is affordable on an equitable basis while also meeting California's climate and clean energy targets, it makes sense to prioritize investment in innovations that advance these goals. On my reading, the priorities articulated in the EPIC investment plan are generally consistent with this approach and represent a robust portfolio.

With that said, a recent analysis by Ryan Wiser and colleagues ([Wiser, et al., 2025](#)) indicates that the majority of the increase in electricity rates in California in recent years is related to costs associated with wildfires and mitigation of wildfire risk. As a result, if affordability is a primary goal, investment in R&D related to climate adaptation in general and innovative strategies for wildfire risk mitigation in particular should be a central priority. Several of the identified Strategic Objectives (SO), including SO 8 (Increase Predictability of Weather Impact on, Intermittent Resources, Climate Risks, and Load), SO 9 (Leveraging DERs for Grid and Community Resiliency), and SO 13 (Cost-Effective Grid Hardening for Long-Term Climate Impacts), are consistent with this approach. Draft initiatives related to these Strategic Objectives, including especially SOs 9 and 13, should receive generous budget allocations.

To address historic inequities related to access, affordability, and quality of service, the draft initiative focused on "Community-Led Clean Energy Capacity Building and Research Incubation for California Native American Tribes and Community-Based Organizations" should also receive strong support.

I will close by reemphasizing appreciation for the EPIC program and the benefits that it brings to California ratepayers through R&D investments in innovation.

Sincerely and respectfully,



Arne Jacobson, Ph.D.

Director, Schatz Energy Research Center

Cal Poly Humboldt