

**DOCKETED**

<b>Docket Number:</b>	19-ERDD-01
<b>Project Title:</b>	Research Idea Exchange
<b>TN #:</b>	225005
<b>Document Title:</b>	SDREIN Comment on Production Scale-Up of Emerging Energy Technologies
<b>Description:</b>	N/A
<b>Filer:</b>	System
<b>Organization:</b>	Martin Turock/SDREIN
<b>Submitter Role:</b>	Public
<b>Submission Date:</b>	10/17/2018 11:02:28 AM
<b>Docketed Date:</b>	10/17/2018

*Comment Received From: Martin Turock*  
*Submitted On: 10/17/2018*  
*Docket Number: 19-ERDD-01*

## **SDREIN Comment on Production Scale-Up of Emerging Energy Technologies**

The San Diego Regional Energy Innovation Network (SDREIN), one of the four statewide incubators in the CEC's Energy Innovation Ecosystem commends the CEC for proactively creating this EPIC grant funding opportunity which addresses one of the current remaining gaps that energy start-up companies face in scaling mass production at the point where demand exceeds their initial typical unit scale manufacturing process.

With capital being scarce, and loans against purchase orders only available at very high interest rates, the only current option is contract manufacturing on an as-needed volume basis. However contract manufacturers are not ideally suited to scaling proprietary new designs, and start-ups would prefer not to reveal product and manufacturing IP and trade secrets. This EPIC grant funding opportunity will allow start-up companies to transition from manual, to more automated and scalable manufacturing processes in-house.

Based on the preliminary scope of requirements that have been outlined for the application proposals, our concern is that companies that have already raised capital to hire manufacturing and quality control experts and purchase manufacturing equipment will be better positioned to win these grants and defer costs, rather than those start-ups that would otherwise not be able to consider in-house manufacturing without this grant funding. If that is not the CEC's intent with this EPIC GFO, then it is important that the final evaluation weighting criteria be structured to create a level playing field for all applicants.

Furthermore, given the application requirements for a production scale-up plan including details on the quality control process, the manufacturing process, and the descriptions of equipment, tooling and raw materials, those start-ups that are most in need of these funds to bridge the gap to pursue in-house manufacturing will need at least 4 months to develop these new plans while continuing to meet all other key business milestones with their current staff resources.

With attention to these concerns, we have already had feedback that several of our SDREIN energy start-up companies would be interested in applying for and benefiting from this innovative EPIC grant fund offering.

With attention to these concerns, we think that several of our SDREIN energy start-up companies would be interested in applying for and benefitting from this innovative EPIC grant fund offering.