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Chair David Hochschild California Energy Commission 1516 Ninth Street Sacramento, CA 95814

RE: Schneider Electric Comments on EPIC Interim Investment Plan 2021-2022

Dear Chair Hochschild,

Schneider Electric (SE) appreciates the opportunity to submit recommendations on the development of the 2021-2022 EPIC Interim Investment Plan.

Life Is On Schneider

At Schneider Electric, our long history of expertise in building energy management, microgrids, EV charging, electrical components and automation enables a wide view of the energy transformation happening before our eyes. Many of SE's approximate 1000 employees in California manufacture, engineer and sell the electric grid of the future today. We embrace the chance to work with the EPIC program with these same customers who are looking to lean forward in a clean carbon free energy future.

SE is committed to be net carbon zero by 2030 and 100% renewables by 2025. We have some broad themes that will improve the outcomes for the EPIC program.

- Across the board all EPIC grant programs should be focused on scaling new technology as an outcome. This can be done with two additional additions to the criteria used to solicit proposals.
  - Specifically have a set aside in grant opportunities for a pool of money for the design/engineering for critical facilities to find what critical functions they have in common that would allow plug and play deployment across multiple facilities or installations.
  - Create scale by inviting new business models like Energy as a Service (EaaS) and other emerging business models to aggregate multiple deployments of a given technology.
    Designing for what is actual critical load in an exigent situation would focus on what is uniform and necessary to accomplish a critical purpose. EaaS would allow more rapid deployment with technology and capital risk sharing in private partnerships or public private partnerships.
- Focus EPIC grants on outcomes or systems but not technology silos. If the grant outcome is taking capacity, providing capacity or ancillary services or incorporating environmental goals to an electric distribution system operator or customer application focus less on specific technologies and more on delivering specific outcomes. The more coordinated DERs are as a system behind metered interconnection or coupling with a utility, the more they will be able to create the most efficient, economical and decarbonized transaction and extend that optimization to utility ratepayers for mutual benefit.

The most optimized transaction is where energy supply and demand meet at the same location. That most optimized point will be the value that drives the grid of the future first. What technology needs are tools like tariffs and rate schedules that are outcome based to work with. Having grants that focus on specific technologies like EV to grid, load following appliance to grid, battery storage

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to grid misses the technology advancement and optimization that Microgrids, Home Energy Management systems and Building Energy Management systems will provide. These systems will become as ubiquitous as circuit breakers in the future.

Individual technologies will be managed by these platforms as part of a two-way communication ecosystem between distribution utility and customers. The initial target of EPIC grants should be specifically in the top 200 hours of peak demand and hosting capacity and ancillary services between substations and customer coupling/interconnection should be the focus of EPIC grants.

• SE applauds the CEC planning to escalate equity engagement for the full EPIC 4 Investment Plan. SE believes access to clean energy is a right and encourages the CEC to robustly pursue greater equity in a new social contract that advancing technologies provide. SE encourages scoring in grant applications where equity in technology savings and deployment are shared in a new social contract in rate classes.

SE believes that enough savings exist in balancing at the circuit level in initially the top 200 hours of peak demand and hosting capacity and ancillary services between distribution substations and customer coupling/interconnection to create a new paradigm of social contract in rate classes. The current paradigm is that cross a subsidization of individual choices of ratepayers happens between ratepayers in rate classes often with the most disadvantaged subsidizing the most affluent.

More consultation is needed before grants are released on business models overseen in State sovereignty in retail market jurisdiction that rewards customer interaction with the distribution utilities on the tenants of;

- o Avoided capital expenditures on distribution system
- o Meeting collective environmental goals of California
- Sharing savings of efficiency of retail transactions with ratepayers generally, participants directly and extends technology to challenged demographic groups to create a circular economy of mutual benefit in rate classes.

Thank you for accepting our comments in these challenging times for participatory proceedings.

Sincerelv. Jeff Morris

Senior Director State Government Relations Schneider Electric North America