

DOCKETED

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Comment Received From: Sumeeta Ghai

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Comments of the Center for Sustainable Energy® regarding the Staff Workshop on Working with California's Private Sector: Increasing Participation for Research Grant Funding

Additional submitted attachment is included below.

October 6, 2016

California Energy Commission
Dockets Office, MS-4
Re: Docket No. 16-IEPR-02
1516 Ninth Street
Sacramento, CA 95814-5512

Re: Docket No. 16-IEPR-02

**Comments of the Center for Sustainable Energy® regarding the Staff
Workshop on *Working with California's Private Sector: Increasing
Participation for Research Grant Funding***

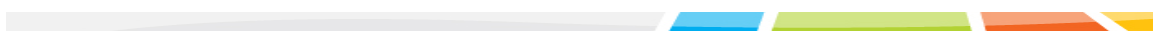
INTRODUCTION

The Center for Sustainable Energy® (CSE) thanks the California Energy Commission (Energy Commission) for the opportunity to provide these public comments regarding the Staff Workshop on *Working with California's Private Sector: Increasing Participation for Research Grant Funding*.

The Center for Sustainable Energy (CSE; www.energycenter.org) is a mission-driven nonprofit organization accelerating the adoption of clean and renewable energy technologies. Our role is to promote state, federal, and local sustainable energy investments, serving public agencies, as well as ports, transit agencies, regional energy partnerships, and others. We facilitate on-the-ground, clean energy market development projects that result in the adoption of energy efficiency, renewable energy, clean transportation, and energy storage technologies.

COMMENTS

CSE partners with businesses that represent a variety of clean energy technologies. Many of these partners are start-up companies or small businesses that are seeking to bring their pre-commercial technologies to market, and EPIC funding provides a much-needed opportunity to demonstrate these technologies in real world applications. However, the contract terms and conditions related to Intellectual Property (IP) and royalty payments can be a hindrance to their participation. Terms are complex and small start-ups often do not have legal counsel available to interpret and advise them of long-



term impacts. The CEC's IP contract terms can deter investors and potentially result in a reduction in value of the companies. Royalty terms require a sale at fair market value but it is unclear who determines what that fair market value is. An exemption to these terms for start-ups or small business could help alleviate this barrier to participation.

The CEC could consider developing a pre-screening tool that informs potential applicants of the financial and legal impacts of the IP and royalty contract terms prior to the application process. This could alleviate time and effort spent developing a full application and entering the negotiation phase only to find out Terms and Conditions around those issues cannot be complied with. Another option would be pro-bono legal counsel for start-ups involved in the application process, regardless of whether they are a prime contractor or subcontractor.

Another deterrent to participation is the lengthy process of contract negotiation. Often an extensive amount of time is spent communicating with the CEC to revise the budget, scope of work and other associated forms, before the project can officially begin. This time is not billable to the project which can represent a significant loss of income to a start-up. Streamlining this process can help expedite the negotiation phase, reducing costs that cannot be recouped.

All of these solutions can help to promote more engagement by the private sector, which the CEC values and seeks to increase.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Sachu Constantine', with a stylized, flowing script.

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