

**DOCKET**

**11-IEP-1N**

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June 1, 2011

California Energy Commission  
Docket Office, MS-4  
Re: Docket No. 11-IEP-1N - PIER Benefits Assessment Workshop  
1516 Ninth Street  
Sacramento, CA 95814-5512  
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Re: California Energy Commission Docket No. 11-IEP-1N: Comments Related to Staff Workshop on Public Interest Energy Research Benefits Assessment

To Whom It May Concern:

On May 19, 2011, the California Energy Commission (“Energy Commission”) held a Staff Workshop on Public Interest Energy Research Benefits Assessment (the “Workshop”) in connection with the 2011 Integrated Energy Policy Report (“2011 IEPR”). Southern California Edison Company (“SCE”) has been an active participant in the Public Interest Energy Research (“PIER”) program since its inception, has leveraged PIER funding to support important research, development, and demonstration projects (“RD&D”) and is familiar with the program. Accordingly, SCE can provide salient insights into the refinements needed to realize benefits and improve program effectiveness. SCE appreciates this opportunity to provide the following comments.

One way for the program to demonstrate benefits would be to refocus PIER on projects that directly support California in meeting the state’s various energy and energy-related environmental goals, including the following:

- the 33% Renewable Portfolio Standard;
- the California Air Resources Board (“CARB”)’s Assembly Bill (“AB”) 32 cap-and-trade program;
- Senate Bill (“SB”) 17 policy to modernize the state’s electrical transmission and distribution (“T&D”) system; and
- the numerous goals outlined in the CPUC’s Long Term Energy Efficiency Strategic Plan for reducing California’s energy consumption and market transformation.

These goals drive the need for increasing amounts of technology RD&D in areas such as utility-scale renewable resource integration, renewable energy generation and availability forecasting, energy storage, plug-in-electric and other reduced-emissions vehicles, efficient end-use choices, advanced building design processes and dispatchable customer loads. SCE encourages the Energy Commission to align PIER-funded RD&D with the state's energy and environmental goals. This will facilitate the Energy Commission's ability to communicate effectively with policymakers and effected stakeholders. It would also be an important step in developing relevant metrics for accurate reporting and informed decision-making.

Another way to demonstrate benefits would be to create a program structure that allows stakeholder involvement in and ownership over the process of identifying the RD&D needed to achieve the state's energy and environmental goals. For example, the Energy Commission should establish an oversight council comprised of key stakeholders, particularly those responsible for achieving state energy and energy-related environmental goals. This oversight council would be charged with setting and attaining the PIER program objectives and managing the allocation of funds among the various program areas. Additionally, advisory boards, with specific technical expertise, should be formed to provide specific technical guidance to the council. The use of this structure will promote transparency and ensure that the RD&D portfolio is focused on topics germane to California's goals and beneficial to the ratepayers that fund the program. Because the current advisory structure offers little opportunity for stakeholders to provide advice and no opportunity for stakeholders to make decisions, it does not promote a sense of stakeholder responsibility for the success of the PIER program. This revised approach would also provide a better environment for the development of program logic models and performance metrics (both at program and project level), thereby facilitating the use of well-established evaluation methods.<sup>1</sup>

Lastly, the Energy Commission can demonstrate benefits by working collaboratively with key stakeholders to streamline existing management and contracting practices. Each subprogram under PIER currently has its own practices for accomplishing its goals. While some slight variation is often appropriate, in its current state, this variation may be perceived as a lack of internal coordination or public transparency. This variation also leads to unnecessary and costly inefficiencies. Reasonable practices should be developed for each subprogram and applied consistently to all PIER subprograms. For example, contracting should not take longer than three months. Likewise, metrics of success for each subprogram should be established upfront. These metrics should reflect the state's specific energy and energy-related environmental objectives (e.g., policy compliance, economic or intangible benefits like reliability, power quality, public safety, environmental, customer satisfaction). Such metrics will enable meaningful reporting and allow policymakers and stakeholders, alike, to measure program benefits and identify areas for further RD&D.

In closing, it is in the best interest of any state energy RD&D program to work collaboratively with its key stakeholders to develop, implement and evaluate its program effectiveness. This is the only path to success, not only for the PIER program, but for California to meet its goals.

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<sup>1</sup> See, e.g., the Evaluation Toolkit:

<http://ww2.wkkf.org/Default.aspx?tabid=90&CID=281&ItemID=2810002&NID=2820002&LanguageID=0>

As always, SCE appreciates having the opportunity to submit comments to the Workshop and to work with the Energy Commission to resolve outstanding issues. Feel free to contact me regarding any questions or concerns.

Sincerely,

/s/ Manuel Alvarez

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