

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**



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Order Instituting Rulemaking on the )  
Commission's Own Motion to ) R. 19-10-005  
Consider renewal of the Electric )  
Program Investment Charge Program )

**COMMENTS OF THE LOS ANGELES CLEANTECH INCUBATOR AND  
CLEANTECH SAN DIEGO ON THE PROPOSED DECISION ADOPTING ELECTRIC  
PROGRAM INVESTMENT CHARGE STRATEGIC OBJECTIVES**

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February 12, 2026

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Pursuant to Rule 6.2 of the Commission’s Rules of Practice and Procedure, parties Los Angeles Cleantech Incubator (“LACI”) and Cleantech San Diego hereby file timely comments on the “Decision Adopting Electric Program Investment Charge Strategic Objectives” (the “Proposed Decision” or “PD”). LACI and Cleantech San Diego request minor changes to the Proposed Decision, including a new Finding of Fact and Ordering Paragraph, which are detailed herein and suggested language appears in the Attachment.

LACI and Cleantech San Diego are Regional Energy Innovation Clusters (“REICs”). REICs are critical and necessary elements of the State’s innovation ecosystem for the energy industry. This is because REICs constitute a unique pathway for technology commercialization through dedicated support for entrepreneurship training, technical assistance, in-market deployment and technology validation, which in turn derisks technology and ensures ratepayer benefits and reduced costs of new energy technologies.<sup>1</sup> In the past, the California Energy Commission (CEC) had observed several critical funding gaps for entrepreneurs attempting to develop and commercialize clean energy technology. Traditional sources of capital, such as loans, internal corporate investment and venture capital were reluctant to invest in energy-related hardware technologies given the long development timelines and regulatory framework in which such technology is developed. These gaps occur early on in concept development, as well as later in the development timeline when companies must demonstrate that they can produce their

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<sup>1</sup> Cleantech San Diego, Opening Comments, filed March 27, 2025 (“Cleantech Comments”), at p. 2; Los Angeles Cleantech Incubator, Opening Comments (“LACI Comments”), filed March 28, 2025, at p. 4.

technology at scale. Over time, the CEC has successfully developed highly effective programs to help de-risk technologies and increase their likelihood of successful commercialization and ratepayer benefits.<sup>2</sup> Further, federal funding for clean energy technology has diminished under the current Administration, creating an even greater need for REICs to be funded by EPIC 5.

LACI and Cleantech San Diego take issue with the PD which rejects the CEC’s proposal for a Strategic Objective entitled “Advance Clean Energy and Climate Resilience Entrepreneurship in California.”<sup>3</sup> This proposed Strategic Objective would support entrepreneurs developing, demonstrating, and commercializing clean energy and climate resilience technologies in California, from early stage concepts to manufacturing scale-ups, in order to deliver affordability and ratepayer benefits, create jobs and economic growth in the state, and achieve California statutory energy goals. The purpose of the Strategic Objective would be to ensure that technology development occurs under the final Commission-approved Strategic Objectives.<sup>4</sup> The PD rejects outright this CEC proposal for an entrepreneurial Strategic Objective, stating,

“funding a specific set of entrepreneurs is a strategy, not a goal or target in and of itself. The CEC may propose this approach in its Strategic Initiatives and Research Topic Areas in its EPIC 5 investment plans, in achievement of the five EPIC Goals and 13 Strategic Objectives.”<sup>5</sup>

LACI and Cleantech San Diego acknowledge and accept the PD’s desire to link funded R&D projects to a specific EPIC 5 Strategic Goal or Strategic Objective. This is easily achieved in implementation, in our view, by including an Ordering Paragraph in the PD that states that the CEC shall solicit Research and Development projects that will advance an EPIC 5 Strategic Goal or Strategic Objective. Further, we recommend that the Commission require any REIC accepting EPIC 5 funds to file its CEC reports with the CPUC concurrently, so that the CPUC has up to date data about the entrepreneurial program on an ongoing quarterly basis.

LACI and Cleantech San Diego further request that the PD include more discussion of the panoply of benefits REICs have brought to California, particularly to disadvantaged and

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<sup>2</sup> California Energy Commission Opening Comments, filed March 28, 2025 (“CEC Comments”), at pp. 93-94.

<sup>3</sup> Proposed Decision, at pp. 93-96.

<sup>4</sup> CEC Comments, at p. 17.

<sup>5</sup> PD, at p. 95-96 (emphasis added).

vulnerable communities, under EPIC 4 funding, and how this evidence supports future entrepreneurial projects for EPIC 5. The weak language in Section 22 of the current PD does not adequately recognize the overwhelmingly positive impact of REICs on the energy innovation ecosystem, and greatly understates the overwhelmingly positive entrepreneurial program of the CEC that has already reaped major benefits for ratepayers and California workers. There is ample data in the record to demonstrate the many benefits of REICs in the state, particularly for disadvantaged communities who are often the last to see the benefits of clean energy technologies. See, for example, the LACI Opening Comments:<sup>6</sup>

Since additional funding was allocated to LACI in 2020, LACI's portfolio companies have collectively secured over \$741 million in follow-on funding, a 74:1 return on the California Energy Commission's initial investment. Over the past decade, we have served more than 500 cleantech startups, including 211 companies directly through REIC funding. These efforts have driven innovation in transportation electrification, building decarbonization, and DER integration while prioritizing equity and inclusivity in the clean energy transition; to-date, over 40% of LACI founders are female, and over 60% are BIPOC [Black, Indigenous and People of Color].

Similarly, Cleantech San Diego has provided this information about its benefits on the record:<sup>7</sup>

Since the program's launch as a REIC nearly ten years ago, SCEIN [Southern California Energy Innovation Network, a CEC EPIC-funded accelerator program for clean energy startups based in San Diego] companies have commercialized innovative technologies that are accelerating market transformation in transportation electrification, grid and building decarbonization, energy efficiency and resiliency. To date, 78 cleantech startups have been served by SCEIN, 38 of which are currently active in the program. Together, these startups employ 851 people, have had 527 patents approved, and have raised over \$672 million in follow-on funding from public and private sources since being accepted in the program, demonstrating an 86-fold increase (return on investment) over CEC funds expended. Additionally, 82 percent of SCEIN companies have diverse representation in their C-Suite leadership teams. . .

REICs have been key drivers of the EPIC Program's intention to accelerate innovation, demonstration, and innovation approaches to deployment that 1) overcome obstacles in disadvantaged and vulnerable communities; 2) support the reduction of IOU cost of medium- and heavy-duty charging infrastructure installations; 3) support the development of transportation and open-access grid planning tools; 4) demonstrate scale and reliability in home electrification; 5) promote technologies in hard-to-decarbonize sectors; and 6) achieve wide-scale neighborhood and community electrification in a manner that prioritizes the needs of disadvantaged and vulnerable communities.”

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<sup>6</sup> LACI Opening Comments, at p. 3.

<sup>7</sup> Cleantech San Diego Opening Comments, at pp. 3-4.

As a result, LACI and Cleantech San Diego respectfully request that in Section 22 there be more robust discussion of the benefits of the REICs entrepreneurial program from EPIC 4, to justify further entrepreneurial efforts funded in EPIC 5 program. A related new Finding of Fact should be added:

New Finding of Fact \_ [relating to Section 22]: Regional Energy Innovation Clusters (REICs) funded by the CEC's entrepreneurial program have had many positive impacts on bringing innovation to the energy innovation ecosystem of the State and benefits to ratepayers by derisking new technologies. These benefits include assistance to hundreds of cleantech startups, hundreds of millions of dollars in follow up funding, hundreds of new patents approved, and accelerating market transformation in areas like transportation electrification, grid and building decarbonization, energy efficiency, and resiliency (including technologies to reduce the dangers of wildfires). Further, these start-up companies have created hundreds of new cleantech jobs for the State, increased diversity in C-suites of these start-ups, and prioritized equity and exclusivity in the clean energy transition for disadvantaged and vulnerable communities.

Finally, LACI and Cleantech San Diego request that a new Ordering Paragraph be included to ensure the continuation of the REIC program that states the following, so that there is clear guidance as to the Commission's intention:

New Ordering Paragraph \_ . Due to the proven value of supporting entrepreneurship in driving energy innovation, job creation, and contributing to community electrification projects that benefit disadvantaged and vulnerable communities as demonstrated in the EPIC 4 program, the CEC shall include in its EPIC 5 Investment Plan a program that continues the support provided to Regional Energy Innovation Clusters (REICs) that support entrepreneurs that are developing, demonstrating, and commercializing clean energy and climate resilience technologies in California from early stage concepts to manufacturing scale-up. The program shall be designed to deliver affordability and ratepayer benefits, create jobs and economic growth in the state, and achieve the Commission's Strategic Goals and Strategic Objectives contained in Appendix A. To be funded and or supported by a REIC, any technology or entrepreneurial project must map to specific Strategic Goals or Strategic Investments contained in Appendix A herein. Any funded Regional Energy Innovation Cluster (REIC) shall file their program reports with the Commission Energy Division concurrently with their reports to the California Energy Commission.

WHEREFORE, LACI and Cleantech San Diego respectfully request that the Proposed Decision be amended to include more information about the benefits of the CEC's REIC program for ratepayers and California workers, add an Ordering Paragraph relating to approval of CEC-proposed entrepreneurial projects if linked to a Strategic Goal and/or a Strategic

Objective of EPIC 5 with reporting, and a specific allocation of funding for entrepreneurial efforts for the EPIC 5 program.

Respectfully submitted,

*/s/ Rachelle Chong*

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Attachment A: Recommendations for New Ordering Paragraph and Finding of Fact

## ATTACHMENT A

### Recommendations for Changes to the Proposed Decision of Los Angeles Cleantech Incubator and Cleantech San Diego

New Finding of Fact \_ [relating to Section 22]: Regional Energy Innovation Clusters (REICs) funded by the CEC's entrepreneurial program have had many positive impacts on bringing innovation to the energy innovation ecosystem of the State and benefits to ratepayers by derisking new technologies. These benefits include assistance to hundreds of cleantech startups, hundreds of millions of dollars in follow up funding, hundreds of new patents approved, and accelerating market transformation in areas like transportation electrification, grid and building decarbonization, energy efficiency, and resiliency (including technologies to reduce the dangers of wildfires). Further, these start-up companies have created hundreds of new cleantech jobs for the State, increased diversity in C-suites of these start-ups, and prioritized equity and exclusivity in the clean energy transition for disadvantaged and vulnerable communities.

New Ordering Paragraph \_ . Due to the proven value of supporting entrepreneurship in driving energy innovation, job creation, and contributing to community electrification projects that benefit disadvantaged and vulnerable communities as demonstrated in the EPIC 4 program, the CEC shall include in its EPIC 5 Investment Plan a program that continues the support provided to Regional Energy Innovation Clusters (REICs) that support entrepreneurs that are developing, demonstrating, and commercializing clean energy and climate resilience technologies in California from early stage concepts to manufacturing scale-up. The program shall be designed to deliver affordability and ratepayer benefits, create jobs and economic growth in the state, and achieve the Commission's Strategic Goals and Strategic Objectives contained in Appendix A. To be funded and or supported by a REIC, any technology or entrepreneurial project must map to specific Strategic Goals or Strategic Investments contained in Appendix A herein. Any funded Regional Energy Innovation Cluster (REIC) shall file their program reports with the Commission Energy Division concurrently with their reports to the California Energy Commission.