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David Terry
Executive Director

November 16, 2008

The Honorable Barack Obama
President-Elect
Transition Office
451 6th Street, NW
Washington, DC

Dear President-Elect Obama:

The members of the Association of State Energy Research and Technology Transfer Institutions (ASERTTI) congratulate you on your election victory. We are eager to work with you to move the nation's clean energy, energy efficiency, and climate change priorities forward. ASERTTI was established to improve clean energy and energy efficiency technologies through market-oriented applied research and technology transfer and commercialization. It achieves these goals by enhancing communication and collaboration among the U.S. Department of Energy and State energy and technology transfer institutions, as well as private and non-profit stakeholders.

We are pleased to offer the following recommendation to dramatically leverage the more than three billion dollars that States invest annually to help ignite clean energy technological innovation, expedite green job growth, safeguard and improve environmental quality, expand the economy, and help your Administration achieve highly-visible, high priority energy, environmental, and economic results.

Create a New High-Level Position at the U.S. Department of Energy on State and Local Innovation and Collaboration

ASERTTI recommends creating a new high-level position (i.e., Deputy Assistant Secretary) at the U.S. Department of Energy on *State and Local Innovation and Collaboration (SLIC)* in the renewable energy and energy efficiency arenas. The position would be located in DOE's Office of Energy Efficiency and Renewable Energy (EERE). This new position could be created by elevating the status of an existing position within EERE. To ensure the success of this new position and its stated goals, ASERTTI recommends having one person in each EERE Program Office act as a liaison to this new high-level position (through existing, not new, positions).

The proposed high-level *State and Local Innovation and Collaboration* position (with the appropriate cross-cutting budget authority) would help strategically focus and align human and financial resources to accelerate the adoption, commercialization, and implementation of clean energy and energy efficiency technologies at the State, Local, and Federal levels. Robust collaboration, through which mutual Federal-State goals are established and coordinated from the outset, is essential to bridging the so-called "commercialization valley of death," i.e., the gap between the basic research and development (R&D) and the later stages of commercialization, and to do so in a more streamlined, cost-effective manner.

This pragmatic approach of catalyzing State and Federal collaboration also would help accelerate private sector adoption of these technologies. Such efforts would ensure the best programs, ideas, and technology options are delivered to citizens – in the public interest – as rapidly as possible through a collaborative network of State and Local energy institutions and State Energy Offices and the Department of Energy.

To this end, the *State and Local Innovation and Collaboration* position would include the following types of responsibilities:

- Initiating a multi-State and Regional strategy to implement State-Federal projects designed to span the range of applied research, development, transfer, deployment, and commercialization in ways that accelerate technology adoption in high priority sectors (e.g., plug-in hybrids, building efficiency, biofuels);
- Collaborating with and coordinating between State Energy Offices and their in-State partner State energy institutions, particularly to foster green job creation and train the workers of a clean energy economy; and
- Supporting the newly-authorized Energy Efficiency and Conservation Block Grant program (Sections 541-548 of the *Energy Independence and Security Act of 2007*).

In carrying out such responsibilities, this Official would help accelerate development of renewable energy, alternative fuel, and energy efficiency programs by aligning and leveraging State and Federal resources and by providing unique, on-the-ground information from State technology institutions and energy offices to inform EERE program development activities. The Official also would work with State, Regional and Local entities to implement strategic, collaborative programs, of which the following are some examples:

- **Commercial Building Efficiency Improvements:** In the commercial building area, this Official could work with State energy technology experts to better understand Local building needs and apply emerging technologies. They could work with State Energy Offices, which facilitate green building training programs, codes, and policies; and, they could work with Local governments, which offer educational programs in these areas. Assisting EERE's Buildings Technology Program in tapping into these State resources in a meaningful way is exactly the kind of value that the proposed *State and Local Innovation and Collaboration Official* would help achieve.
- **Lead-by-Example – Plug-in Hybrid Market Development:** Building on the States' lead-by-example success of delivering a demonstration fleet of 19 plug-in hybrid electric school buses, this Official could work with the States to set goals for expanding the second generation of plug-in electric hybrid school buses fleet nationally, facilitate advanced purchases, and use in-State technology experts to provide valuable feedback to automobile manufacturers and Federal researchers that would aid in making near-term research more relevant.
- **Off-Shore Wind Energy Characterization – Opening a New Market:** This Official could work with the relevant States, Federal agencies, and the private sector to conduct characterization studies of major off-shore wind energy potential. Such studies require substantial investments that could be shared between the State and Federal governments and would help industry unleash wind energy development. Market analysis is an ideal role for Federal and State energy stakeholder investment and would provide the private sector with the information needed to innovate.

The difference between this newly-proposed position and Federal energy strategy, programming, activities and expenditures over the past number of years is dramatic. To date, most State-Federal clean energy and energy efficiency work is characterized by one-way solicitations from Federal programs to States and private entities through requests for, and submission of, activity funding proposals. This approach does not reflect the unique public interest capabilities of the States or the public resources they can immediately bring to Federal efforts.

Another key difference is that most current programs are designed as either research *or* deployment initiatives. The States have found that to bridge the gap between research and commercialization and move technologies into the market, programs must incorporate the full range of research, technology transfer, and deployment actions, which is the aim of this newly-proposed role. This new position would help ensure that research is informed by deployment, and that technology expertise supports commercialization. The resulting more complete approach combined with the expertise of on-the-ground State management means that market success is more likely.

Creating the type of position proposed herein will help transform energy markets more quickly and on a broader scale than otherwise possible by independent and uncoordinated Federal and State actions. It will help ensure America's leadership in the transformation of the world's energy systems of the past to those of the future and address critical needs in a meaningful way that have been neglected for a number of years.

Thank you for your time and attention. If you have any questions or comments, please contact: David Terry, Executive Director, ASERTTI at (703) 395-1076.

Sincerely,



Susan Stratton
Chair, ASERTTI