

**LETTER OF INTENT
BETWEEN
THE CALIFORNIA ENERGY COMMISSION
AND
THE NEW ENERGY AND INDUSTRIAL TECHNOLOGY DEVELOPMENT ORGANIZATION
ON
Demonstration Project for a Flexible Energy Management System (EMS)**

**Paragraph 1
Background**

WHEREAS, the State of California and the country of Japan share a history of strong cooperation on trade and investment, as well as shared goals to accelerate the transition to clean and renewable energy;

WHEREAS, California and Japan are helping to lead a global transition to clean energy and the reduction of harmful greenhouse gases through the development of innovation and technology aimed at achieving greater energy efficiency and accelerating decarbonization from the building sector;

WHEREAS, the New Energy and Industrial Technology Development Organization (NEDO) is a national research and development agency that creates innovation by promoting technological development necessary for realization of a sustainable society and serves as one of the largest public research and development management organizations in Japan;

WHEREAS, NEDO and the California Energy Commission (CEC) (hereafter referred to as "Party" or "Parties") share common goals related to the promotion of clean energy innovation and technology aimed at the achievement of more secure, reliable, flexible, affordable, equitable, and efficient energy systems;

THEREFORE, in pursuit of these shared goals, NEDO and CEC shall work to further their relationship in the following areas:

**Paragraph 2
Areas of Cooperation**

Flexible Energy Management System

This Letter of Intent (LOI) expresses a commitment by the Parties to work in collaboration on the development of a demonstration project for a flexible energy

management system (EMS) utilizing automatic control of devices in residential and commercial buildings (hereafter referred to as "Project").

The objective of the Project is to facilitate broad dissemination of energy-related technologies that contribute to load flexibility and building decarbonization in California and Japan.

Paragraph 3 Coordination

Implementing Entities

The Parties respectively designate Panasonic Holdings Corporation (hereafter referred to as "Panasonic") as a Project implementer. NEDO approved Panasonic's application as a project implementer and will provide guidance, assistance, and cooperation to Panasonic to facilitate the implementation of the Project.

Further, the CEC recognizes Sacramento Municipal Utility District (SMUD) and the University of California at Davis (UC Davis) as the Project implementers for California.

As part of the Project implementation, the CEC agrees to assign a representative to serve on the Technical Advisory Committee (TAC) to support the Project. Through this representative, who serves on the committee, the CEC will provide guidance and advice to Panasonic, SMUD, and UC Davis to facilitate the successful implementation of the Project.

Cooperation of Parties

The Parties will also endeavor to disseminate the results of the Project after its completion to achieve the objective stipulated herein. To accomplish this, the CEC will participate in a seminar in California in cooperation with NEDO, Panasonic, SMUD, and UC Davis to contribute to dissemination of the Project results.

Project Representatives and Contact Persons

The Parties will each appoint one Project representative and one contact person to facilitate management of the Project. Each Party will notify the other Party as soon as possible in writing or via email of such appointments.

If either Party changes its Project representative, that Party will immediately notify the other Party in writing or via email of such a change.

Management Meetings

The Parties will hold meetings (hereafter referred to as "Management Meetings") to provide communication and consultation for the Project based on the principles of mutual benefit, equality, cooperation, and trust. The Project representatives set forth in the preceding paragraph will attend Management Meetings. Each Party may have a duly authorized person attend Management Meetings instead of its Project representative. The Parties will examine, discuss, and make suggestions on important matters, including concerns of any kind, during Management Meetings.

Paragraph 4

No Legal Obligations, Rights, or Remedies

This LOI is a voluntary initiative. It does not create any legally binding rights or obligations and creates no legally cognizable or enforceable rights or remedies, legal or equitable, in any forum whatsoever. In addition, the pledges in this LOI are not conditioned upon reciprocal actions by other Parties; each Party retains full discretion over implementation of its pledges in light of the Party's individual circumstances, laws, and policies; and each Party is free to withdraw from the LOI.

Paragraph 5

Availability of Personnel and Resources

This LOI does not involve the exchange of funds, nor does it represent any obligation of funds by either Party. All costs that may arise from activities covered by, mentioned in, or pursuant to this LOI will be assumed by the Party that incurs them, unless otherwise expressly agreed in a future written arrangement in accordance with applicable laws. All activities undertaken pursuant to this LOI are subject to the availability of funds, personnel, and other resources of each Party.

The personnel designated by a Party for the execution of this LOI will work under the orders and responsibility of that Party and any other organization or institution to which the personnel already belongs, at all times maintaining any preexisting employment relationship only with that Party and organization or institution, and not with any other Party.

Paragraph 6

Interpretation and Application

Any difference that may arise in relation to the interpretation or application of this LOI will be resolved through consultation between the Parties, who will endeavor in good faith to resolve such differences.

**Paragraph 7
Final Provisions**

This LOI is effective from the date of its signature for three years.

This LOI may be modified at any time by mutual consent of the Parties. Any modification will be made in writing and specify the date on which such modification is effective.

Either party may, at any time, withdraw from this LOI by providing a written notice to the other Party. A Party that intends to withdraw from this LOI shall endeavor to provide notice of such withdrawal to the other Party 30 days in advance.

The termination of this LOI should not affect the conclusion of the cooperation activities that may have been formalized during the time this LOI is in effect unless the Parties mutually decide otherwise.

This Letter of Intent is signed by Executive Director Wada Takashi in Kawasaki,
Japan on Dec 12, 2022 and by Chair David Hochschild in
Sacramento, California on December 14, 2022.

**FOR THE NEW ENERGY AND
INDUSTRIAL TECHNOLOGY
DEVELOPMENT ORGANIZATION**

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Wada Takashi, Executive Director

**FOR THE CALIFORNIA ENERGY
COMMISSION**

David Hochschild

David Hochschild, Chair