



September 10, 2010

California Energy Commission
Dockets Office, MS-4
1516 Ninth Street
Sacramento, CA 95814-5512
docket@energy.state.ca.us
Via: Hard copy and email

Re: RPS Proceeding; Docket No. 03-RPS-1078 and Docket No. 02-REN-1038

Commission,

Bloom Energy Corporation (Bloom) appreciates the opportunity to provide comments on the California Energy Commission's (CEC) Draft Renewables Portfolio Standard (RPS) Eligibility Guidebook and Renewable Energy Program Overall Program Guidebook. Bloom's comments are limited to eligibility and certification of customer-side renewable distributed generation (DG).

1. **TRECS:** The suggested revisions to the RPS Eligibility Guidebook (August 2010) continue to assert that, "The Energy Commission will not certify distributed generation facilities as RPS-eligible unless the CPUC authorizes tradable RECs to be applied toward the RPS." (p. 29). Within the timeframe that the revisions to the CEC Guidebooks have been released and a workshop held, the CPUC has issued a Proposed Decision (issued 08/25/2010) to enact the use of tradable renewable energy credits (TRECs)(CPUC Decision 10-03-021). The CPUC can vote on this item as soon as October 14, 2010. Given the imminent possibility of TREC authorization under RPS we ask that the Energy Commission revise this section of the guidebook to state: *"Upon enactment of the CPUC's authorization of TRECs, the Energy Commission will, without delay, begin certifying eligible DG facilities."*
2. **Certifying DG Technologies:** Certification of facilities currently happens on a facility-by-facility basis, with each facility owner applying to the CEC for certification. This process was developed for large-scale facilities each with a unique set of circumstances. The small scale customer-side DG facility owner is likely to be a residential or small commercial customer that is doing a single installation. It would be a prohibitive burden on the DG facility owner to have to separately apply for certification from the CEC. In addition, given that gas and regulatory matters are ancillary to these customer's businesses, they are more likely to burden the CEC with incremental questions and administration issues. Given the proliferation of DG facilities and the limited number of technologies available, certifying customer-side DG by brand, technology, and commercial model will make certification, implementation and regulation simpler. *Bloom asks that DG facilities are certified by technology rather than by individual installation. Accordingly, once a manufacturer has established certification for a system/technology, all subsequent installations of that system/technology by a customer would be deemed certified.*

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3. **Supporting all Renewable DG Installations:** As recognized in the Draft guidebook (p. 8), both the CEC and the California Public Utilities Commission (CPUC) have determined that owners of DG installations own the renewable energy certificate (REC) associated with the generation, and can therefore sell those RECs, regardless of whether the DG owners participate in net metering, California Solar Initiative (CSI), New Solar Homes Partnership (NSHP) or the Self Generation Incentive Program (SGIP). However, even if the owner is determined to 'own' the REC, if the facility itself is not RPS eligible, the REC is essentially worthless as it cannot be sold and traded within the State's RPS program. As currently stated in the Guidebook, the CEC asserts without explanation that facilities participating in net metering, CSI, NSHP, or SGIP are not eligible facilities under the RPS. Given the growth that has occurred in the DG field, the eligibility of this generation should be revisited. It is not clear from the Guidebook how this determination was made, but given the multiple policies designed to increase renewable generation on the customer's side of the meter and to generate more renewable energy, customer-side DG should be accounted for in the state RPS program. Generation from renewable sources should be eligible for RPS (and therefore REC generation), whether or not they receive rate payer funded incentives, tax incentives, ARRA grants or other federal or state incentives designed to incent and develop the renewables market. *Bloom asks that the CEC allow facilities that have received ratepayer funded incentives from CSI, SGIP, NSHP or otherwise to be eligible renewable facilities for the purposes of RPS and RECs.*
4. **Net Metering:** The Guidebook states that facilities utilizing a net-metering tariff will not be eligible for the RPS. Bloom disagrees with this assertion. The net-metering tariff was specifically created for a facility that is generating electricity that will flow back onto the grid. The technical aspect of this tariff should not be reason to disqualify a facility. If the CEC makes this assertion because it is viewed as a subsidy, it should be made clear that the fuel cell net metering tariff is different than the solar net metering tariff. The fuel cell net metering tariff is *generation only*; it is not a subsidy. Fuel cell customers are still required to pay the distribution and transmission charges. Conversely, the solar net metering tariff includes both the generation rate and the distribution and transmission charges, and is significantly more generous. Given this significant difference, the fuel cell tariff is clearly not a subsidy- customers only get credit for the electricity produced- and therefore customers on a net metering tariff should be eligible facilities for the RPS and REC programs. *Bloom asks that the CEC allow fuel cells operating under a net metering tariff to be eligible for the purposes of RPS and RECs.*

Thank you for the opportunity to comment on the new draft Guidebooks. Please do not hesitate to contact me with any questions.

Sincerely,



Josh Richman
Head of Business Development