

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



Order Instituting Rulemaking Regarding
Policies, Procedures and Rules for the
California Solar Initiative, the Self-
Generation Incentive Program and Other
Distributed Generation Issues.

Rulemaking 10-05-004

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**PUBLIC ADVOCATES OFFICE RESPONSE
TO PETITION OF BLOOM ENERGY CORPORATION
FOR MODIFICATION OF DECISION 11-09-015**

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I. INTRODUCTION

Pursuant to Rule 16.4(f) of the California Public Utilities Commission’s (Commission) Rules of Practice and Procedure (Rules), the Public Advocates Office at the California Public Utilities Commission (Cal Advocates) hereby responds to Bloom Energy Corporation’s (Bloom) Petition for Modification (PFM) of Decision (D.) 11-09-015 (Decision). Pursuant to ALJ Fortune’s September 12, 2024 ruling, Cal Advocates is filing its response in Rulemaking (R.) 20-05-012. The Bloom PFM asks the Commission to increase the limit at which qualifying Self-Generation Incentive Program (SGIP) projects can export to the grid from 25% to 50% of annual generation.¹

Bloom’s PFM should be denied. The Decision already considered and rejected² the argument that SGIP projects should be able to export to the grid more than 25% of its annual generation.³ Bloom’s purported reason for the request,⁴ that biogas technology

¹ *Petition of Bloom Energy Corp. for Modification of Decision 11-09-015* (Bloom PFM), filed August 29, 2024 at 2 and Appendix A.

² Decision (D.) 11-09-015, *Decision Modifying the Self-Generation Incentive Program and Implementing Senate Bill 412*, September 16, 2011 at 58-59.

³ Bloom PFM.

⁴ Bloom PFM at 2-3.

has improved, is not related to the purpose of the SGIP. Rather than incentivize grid exports⁵ as Bloom proposes, SGIP is meant to incentivize self-generation.⁶

Furthermore, the PFM should be denied as procedurally improper because it fails to comply with Rule 16.4 (b) and (d).

II. ARGUMENT

1. Bloom's request violates SGIP's purpose to promote self-generation.

The purpose of the 25% export cap is to focus SGIP incentives on technologies that primarily promote self-generation, not technologies that export load to the grid.⁷ As the Decision notes, "allowing customers to export to the grid without any caps would not benefit ratepayers."⁸ Instead, it undermines SGIP's efforts to promote self-generation.⁹ Bloom fails to address either of these points in its PFM.

Bloom's stated purpose for this modification, that biogas is now commercially viable,¹⁰ is irrelevant to the SGIP proceeding. Changes in the biogas industry do not change the underlying factual basis the Commission relied on to set the 25% grid export cap, to support self-generation technologies.¹¹ As noted in the Decision, "[w]hile allowing export to the grid would provide flexibility in the program and motivate customers to invest in SGIP systems, we do not want to provide SGIP incentives for projects that are designed to export a substantial portion of their output to the grid. A 25% cap provides a reasonable export limit." Bloom's explanation therefore does not warrant a modification of this Decision.

⁵ D.11-09-015 at 59.

⁶ Self-Generation technologies are technologies installed on the customer's side of the utility meter that provide electricity for all or a portion of that customer's onsite electric load.

⁷ "[T]he intent of SGIP is to facilitate self-generation". D.11-09-015 at 59.

⁸ D.11-09-015 at 59.

⁹ D.11-09-015 at 60.

¹⁰ Bloom PFM at 2.

¹¹ D.11-09-015 at 60.

2. Bloom has failed to explain why its PFM could not have been presented within one year of the Decision.

Rule 16.4 (d) states:

If more than one year has elapsed [after the effective date of the decision proposed to be modified], the petition must also explain why the petition could not have been presented within one year of the effective date of the decision. If the Commission determines that the late submission has not been justified, it may on that ground issue a summary denial of the petition.

Bloom has not fulfilled this requirement under Rule 16.4 (d). Bloom argues that this PFM is timely because of new technological developments¹² in biogas that were not available at the time of the Decision.¹³ It claims that its biogas technology is now commercially viable due to increases in efficiency.¹⁴ It then argues that due to the large quantity of biogas produced relative to the energy needed to produce it, Bloom must export its surplus to the grid to ensure that it is economically viable.¹⁵ The PFM therefore requests that the 25% grid export cap in SGIP be raised to 50% of annual generation for all resources.¹⁶

This argument should be rejected. Bloom acknowledges that prior to setting the 25% export cap, “there was discussion that this cap would be insufficient for biogas sites.”¹⁷ At the time, parties pointed out that the amount of fuel produced by biogas

¹² It is unclear in the PFM what the new technology advances in biogas are. While Bloom cites to fuel cells, the Decision already does discuss the potential for fuel cells. This further calls into question the novelty of the technology to justify this PFM. D.11-09-015 at 3, COL 9.

¹³ Bloom PFM at 2.

¹⁴ Bloom PFM at 2.

¹⁵ “Under the current program rules, renewable biogas utilization is largely left unrealized due to the imbalance between the generation potential from high-efficiency systems and the modes on-site load requirements at facilities with substantial biogas production like dairy farms.” Bloom PFM at 3.

¹⁶ Bloom PFM at 3.

¹⁷ Bloom PFM at 2.

facilities generally exceed the 25% limit.¹⁸ The Commission has therefore already discussed, and rejected, the impact of a 25% export cap on biogas.¹⁹

3. Bloom’s request is unsupported by the record.

Rule 16.4(b) requires any “allegations of new or changed facts must be supported by an appropriate declaration or affidavit.” In the PFM, Bloom makes claims regarding changes in its biogas technology²⁰ and its performance. It further relies on a “case study” that is not currently in the record of the proceeding.²¹ Bloom presents these new facts but fails to provide an affidavit or declaration in support of these assertions. Thus, the Commission should reject the request as it is unsupported by the record.

4. Bloom’s recommendation to increase annual energy consumption sizing limitation from 125% to 150% is not supported by the record or the PFM.

Contained in only a single sentence, Bloom requests to increase annual energy consumption sizing limitations from 125% to 150% of a project.²² This request should be denied for a multitude of reasons. Bloom offers no factual support for this requested modification, the change is not included in Bloom’s redline changes in Appendix A, and, while this requirement is included in the SGIP Handbook,²³ it was not established or discussed in the Decision. As such, the Commission should reject this request as unsupported by the proceeding and procedurally improper.

¹⁸ Bloom PFM at 58.

¹⁹ D.11-09-015 at 59.

²⁰ Bloom PFM at 3-4.

²¹ Bloom PFM at 3-4.

²² Bloom PFM at 3.

²³ 2024 SGIP Handbook at 7.3 at 60.

III. CONCLUSION

Bloom's PFM should be denied as it would violate SGIP's purpose to promote self-generalization. Furthermore, Bloom has provided no new information to warrant the late modification request. Bloom cites to new biogas technology that was already considered in the Decision, and not relevant to the purpose of SGIP. Lastly, the new information they provide is unsupported by the PFM and the record of the proceeding. As such, the PFM should be denied.

Respectfully submitted,

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