



STATE OF CALIFORNIA

GAVIN NEWSOM, Governor

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

FILED

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January 21, 2026

Agenda ID #23986
Quasi-Legislative

TO PARTIES OF RECORD IN RULEMAKING 10-05-004:

This is the proposed decision of Commissioner Karen Douglas. Until and unless the Commission hears the item and votes to approve it, the proposed decision has no legal effect. This item may be heard, at the earliest, at the Commission's February 26, 2026 Business Meeting. To confirm when the item will be heard, please see the Business Meeting agenda, which is posted on the Commission's website 10 days before each Business Meeting.

Parties of record may file comments on the proposed decision as provided in Rule 14.3 of the Commission's Rules of Practice and Procedure.

/s/ MICHELLE COOKE

Michelle Cooke

Chief Administrative Law Judge

MLC:avs

Attachment

Decision **PROPOSED DECISION OF COMMISSIONER DOUGLAS**
(Mailed 01/21/2026)

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

**DECISION DENYING PETITION FOR
MODIFICATION OF DECISION 11-09-015****Summary**

This decision denies the Petition for Modification of Decision (D.) 11-09-015 filed by Bloom Energy Corp. The Petition for Modification seeks to increase the 25 percent annual export cap applicable to projects receiving Self-Generation Incentive Program funds but provides an insufficient justification for why it could not have been filed within one year of the effective date of D.11-09-015 as required by Rule 16.4(d) of the Commission's Rules of Practice and Procedure.

This proceeding is closed.

1. Background

In September 2011, the Commission adopted Decision (D.) 11-09-015 (hereafter, the Decision) in Rulemaking 10-05-004 to implement legislation Senate Bill 412 and make other modifications to the Self-Generation Incentive Program (SGIP). On August 29, 2024, Bloom Energy Corp. (Bloom) filed a

Petition for Modification (Petition) to the Decision. The Petition was filed thirteen years after D.11-09-015 was adopted.

SGIP facilitates self-generation to offset customer load. In line with that intent, the Decision limited the amount of electricity generation that a system receiving SGIP incentives could export to the electric grid to 25 percent of annual net generation.¹ The Petition seeks to change the limit to 50 percent. The Petition argues that increasing the cap on exports will give the program resiliency and emissions benefits without increasing costs. The Petition states that technology limitations in the past precluded an earlier filing.

The Bioenergy Association of California (BAC) filed a response supporting the Petition, as did Southern California Gas Company (SoCalGas) jointly with the Center for Sustainable Energy (CSE). Supporting arguments to permit on-site renewable generation projects to increase their exports to the grid include, “it does not conflict with existing utility tariffs or rules, does not violate local state federal laws or regulations, does not decrease SGIP cost effectiveness, does not create an incentive modification without economic or societal benefits, does not increase costs for SGIP Applicants, Host Customer, or Administrators, and is aligned with the intent of the program.”² The Public Advocates Office at the California Public Utilities Commission (Cal Advocates) filed a response opposing the Petition. Cal Advocates argued that the purpose of the export cap is to promote self-generation, not to increase exports to the grid.³ Respective

¹ D.11-09-015, at 59-60 and Ordering Paragraph 1.

² Joint Response of Southern California Gas Company and Center for Sustainable Energy to Bloom Corporation’s Petition for Modification of Decision 11-09-015, September 30, 2024 at 3.

³ Public Advocates Office Response to Petition of Bloom Energy Corporation for Modification of Decision 11-09-015, October 11, 2024, at 2.

arguments in support and in opposition to the Petition are discussed further below in Section 3.

2. Issues Before the Commission

The issue before the Commission is whether the Petition meets the requirements of Rule 16.4 of the Commission's Rules of Practice and Procedure (Rules), and if so, whether it should be granted.

3. The Petition's Justification for Late Filing

Rule 16.4 governs petitions for modification (PFMs) of Commission decisions. Rule 16.4(d) specifically provides that a PFM must be filed within one year of the effective date of the decision proposed to be modified. Rule 16.4(d) further states that PFMs filed more than one year after the decision must explain "why the petition could not have been presented within one year" and further provides that "if the Commission determines that if the late submission has not been justified, it may on that ground issue a summary denial of the petition."⁴ We find that the Petition does not meet Rule 16.4(d) and we therefore deny it.

The Petition was filed almost thirteen years after the Decision. The only justifications in the record for why the Petition could not have been filed within one year are arguments that Bloom's technology, and some SGIP program rules, have changed. The Petition states that "increasing efficiencies and evolutions to Bloom Energy's core fuel cell technology has only recently enabled commercially viable biogas installations," and that the "limitations and outlook" of Bloom's technology at the time of the Decision are why the Petition could not have been filed within a year of the Decision.⁵ In addition, SoCalGas/CSE argue that some

⁴ Rule 16.4(d).

⁵ Petition at 2.

SGIP rules have evolved to focus more on renewable gas than they did in 2011 and states that “those policy changes were not available for consideration at that time.”⁶ BAC does not address the issue of whether the Petition satisfies Rule 16.4(d).

However, Cal Advocates counters that the assertion that “biogas is now commercially viable” is not adequate reason for the Petition’s lateness, and further argues that this justification is “irrelevant” to the underlying factual basis of the export cap as well as to the stated focus of SGIP on self-generation.⁷ Cal Advocates urges denial of the Petition as “procedurally improper because it fails to comply with Rule 16.4(b) and (d).”⁸

We agree with Cal Advocates. The concept that technologies tend to evolve over time is generally known and is not sufficient justification for a late-filed PFM. We also disagree with SoCalGas/CSE’s argument that policy evolution over time is sufficient justification; if a PFM were justified due to program rule changes over long periods of time, then the narrow restrictions provided for PFMs would become meaningless. Broad policymaking changes are meant to be considered in Rulemaking proceedings. As previously noted, the cap was established for reasons related to the policy focus of SGIP; it was not based on the extent of qualifying technologies’ ability to export.⁹ The Petition’s justification for its lateness is not persuasive and does not satisfy Rule 16.4(d). Therefore, the Petition is denied and this rulemaking is closed.

⁶ SoCalGas/CSE Response to the Petition at 3.

⁷ Cal Advocates’ Response to the Petition at 2.

⁸ Cal Advocates’ Response to the Petition at 2.

⁹ D.11-09-015, at 59-60.

4. Summary of Public Comment

Rule 1.18 allows any member of the public to submit written comment in any Commission proceeding using the “Public Comment” tab of the online Docket Card for that proceeding on the Commission’s website. Rule 1.18(b) requires that relevant written comment submitted in a proceeding be summarized in the final decision issued in that proceeding.

There are no relevant public comments on the Docket Card for this proceeding.

5. Comments on Proposed Decision

The Proposed Decision of Commissioner Karen Douglas in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3. Comments were filed on _____, by _____ and reply comments were filed on _____ by _____.

6. Assignment of Proceeding

Karen Douglas is the assigned Commissioner and Hazlyn Fortune is the assigned Administrative Law Judge in this proceeding.

Findings of Fact

1. The Petition was not filed within one year of the effective date of D.11-09-015.

Conclusions of Law

1. The Petition does not comply with Rule 16.4(d).
2. The Petition should be denied.
3. This proceeding should be closed.

O R D E R

IT IS ORDERED that:

1. The Petition for Modification of Decision 11-09-015 filed by Bloom Energy Corp. is denied.
2. Rulemaking 10-05-004 is closed.

This order is effective today.

Dated _____, at Santa Maria, California