

August 26, 2013

VIA ELECTRONIC AND REGULAR MAIL

Alice Bator
Chief, Bureau of Rates and Tariffs
New Jersey Board of Public Utilities
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***Re: Working Group on Standby Rate Design and Tariff Issues:
Comments on the Proposed Definition of Distributed Generation and Rate
Modeling Criteria***

Dear Ms. Bator:

On behalf of our client, Bloom Energy Corporation (“Bloom Energy”), please accept these comments regarding the Proposed Definition of Distributed Generation (“DG”) and Rate Modeling Criteria circulated to members of the Working Group on Standby Rate Design and Tariff Issues (“Working Group”) by the Board of Public Utilities (“Board”) on August 6, 2013. In addition, per your request, Bloom Energy will include a list of other issues and agenda items that it would like to be addressed at the next Working Group meeting on September 17, 2013.

I. Proposed Definition of DG

While Bloom Energy agrees generally with the proposed definition of DG, it believes that the definition should be as simple and clear as possible. Bloom Energy proposes the following language for consideration:

Distributed Generation, for the purposes of utility tariff definition, is an on-site electric production resource dedicated wholly or in part to serve all or a portion of a specific customer's load with an

average capacity factor in excess of 50%. Distributed electric output can be either AC or DC at various voltage levels.

It does not necessarily follow, however, that the definition of Distributed Generation should dictate the rate treatment that a certain project will be afforded. Instead, the applicability of standby charges should be determined in the Working Group proceeding and should include consideration of different project characteristics and the extent to which those characteristics impact and/or support the operation of the electric distribution system and contribute to its resiliency.

II. Rate Modeling Criteria Proposal

Bloom Energy supports the proposed Rate Modeling Criteria's disaggregation of charges and firmly believes that Electric Distribution Company ("EDC") calculations should be broken out by rate component. However, Bloom Energy does have concerns that the proposal requires that calculations be based on a complete DG outage. Bloom Energy's fuel cell systems are designed to avoid a complete outage, and requiring that the utilities model a complete outage for a system with these characteristics would be unfair and inappropriate. Therefore, Bloom Energy proposes that the calculations be based upon the expected operating conditions of the subject equipment.

III. Other Issues/ Agenda Items for Next Working Group meeting

In addition to addressing the previous two issues at the next Working Group meeting, Bloom Energy also proposes that the following questions be addressed:

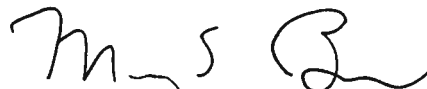
- If a certain technology has a demonstrated capacity factor above a certain threshold, should it be exempt from demand charges altogether, including standby charges? If so, what should this threshold be?
- Should the various EDCs' tariffs be made uniform with respect to standby and demand charges to provide predictability and consistency to DG providers?

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- How will changes to the standby rate design and tariff issues covered in this Working Group be formalized, i.e. through a rulemaking, Board Order, etc.?

Bloom Energy appreciates the opportunity to comment regarding this important matter and looks forward to continued participation in the Working Group. Please do not hesitate to contact me should you have any questions or concerns.

Very truly yours,


Murray E. Bevan

cc: energy.comments@bpu.state.nj.us