
Honorable Jeffrey Cohen
Acting Secretary to the Commission
New York State Public Service Commission
3 Empire State Plaza
Albany, New York 12223

April 8, 2013

RE: New York State Energy Research and Development Authority (NYSERDA) Petition
Regarding Unencumbered CST Funds, Case 03-E-0188 - Public Comments

Dear Acting Secretary Cohen:

ClearEdge Power submits the following comments on NYSERDA's petition for unencumbered CST funds under Case 03-E-0188.

Respectfully Submitted,



Lisa C. Ward
Government Business Development Specialist

STATE OF NEW YORK

PETITION BY THE NEW YORK ENERGY RESEARCH AND DEVELOPMENT AUTHORITY:

PROPOSAL REGARDING UNENCUMBERED CST FUNDS

CASE 03-E-0188

COMMENTS OF CLEAREDGE POWER**I. Introduction**

ClearEdge Power ("ClearEdge") is a company located in Hillsboro, Oregon and South Windsor, Connecticut, leading in the development, design, production and service of fuel cell technology for use in stationary and transportation applications.

We offer full support for the proposal regarding unencumbered New York State Energy Research Development Authority (NYSERDA) customer-sited tier (CST) funds for fuel cell projects. The petition proposes an increase in the fuel cell budget of \$3M, totaling \$6.6M for 2013. Given the environmental, reliability and continuous power attributes that fuel cell systems offer to the State, the increased budget realizes the fuel cell market potential and should be approved at \$6.6M.

II. Comments**A. Support for Fuel Cell Program Funding**

Fuel cells provide a critical opportunity for businesses to use the most efficient energy source for continuous heat and power. Many businesses in New York maintained heat and power during Hurricane Sandy because they were using ClearEdge fuel cell systems and were able to run without the grid. With the use of fuel cells for distributed generation, businesses are afforded both the economic benefit of maintaining operations and also providing the community with access to critical supplies and infrastructure. With the proposed NYSERDA fuel cell budget of \$6.6M, the State is making a positive statement about its commitment to businesses that select base load clean energy generation and further serve their communities in times of greatest need.

Understanding the State's support for clean, reliable distributed generation, like fuel cells, we would caution the establishment of new requirements within PON 2157. The language within the proposal to the PSC indicates a potential need for grid independent capability to participate in the fuel cell program. Any language introduced to support this assumption would unknowingly prevent large energy consumers who already utilize very sophisticated backup systems from installing clean fuel cells on-site. NYSERDA should consider grid independent capability as an enhancement for fuel cell projects and not a requirement to participate within the program.

B. 2014 Budget Decision within the 2013 CST Proposal

We caution NYSERDA against recommending 2014 budget decisions within the 2013 CST proposal. NYSERDA's language indicates that if the market demand for fuel cell systems does not meet or exceeds 2013 expectations, the program funding should automatically be allocated to a different program rather than maintained within PON 2157. This preemptively assumes a level of activity, or non-activity, within the fuel cell program for 2013 before data for 2013 is even available to make an accurate determination of funds spent. Given the State's laborious efforts after Hurricane Sandy and the potential for fuel cells to aid in grid hardening and resiliency, NYSERDA may find it will need to petition the PSC to allocate more money, or continue supporting the same funding level, to the fuel cell PON by year end 2013.


We would respectfully suggest the following language update to allow NYSERDA to recommend a re-allocation of fuel cell funding into the same technology category as 2013:

"...funds not committed by the end of 2013 will be proposed for reallocation for 2014 to either the same technology category or a different technology category based on 2013 market demand."

III. Conclusion

Thank you for the opportunity to comment on NYSERDA's Proposal Regarding Unencumbered CST Funds, Case 03-E-0188. We would be pleased to provide you with additional information or clarification as needed.

Respectfully Submitted:

By:  _____

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