

## Stakeholder Comments Template

### Subject: Small and Large Generator Interconnection Procedures Draft Final Proposal and Meeting

Submitted by	Company	Date Submitted
<i>Jeff Cox</i> <i>FuelCell Energy, Inc.</i> <i>1557 Mandeville Place</i> <i>Escondido, CA 92029</i> <i>Phone: (760) 741-3970</i> <i>Email: <a href="mailto:JCox@FCE.Com">JCox@FCE.Com</a></i>	<i>FuelCell Energy, Inc.</i>	<i>August 3, 2010</i>

FuelCell Energy, Inc. (FCE) appreciates the opportunity to comment on the CAISO's July 27, 2010 Small and Large Generator Interconnection Procedures (LGIP) Stakeholder Meeting and Generator Interconnection Procedures Draft Final Proposal. FCE manufactures and markets stationary fuel cells for commercial, industrial, municipal and utility customers. FCE was founded in 1969, is headquartered in Danbury, Connecticut, and has operations in North America, Canada, Europe, Japan and Korea. FCE's fuel cells electrochemically produce electricity from hydrocarbon fuels, such as natural gas and biomass. FuelCell Energy is also developing hybrid products and planar solid oxide fuel cell technology products. Our products serve a wide variety of customers, including wastewater treatment plants, hotels, manufacturing facilities, universities, hospitals, telecommunications/data centers, and government facilities. Fuel cells are optimally deployed as on-site combined heat and power ("CHP") facilities and are effectively used on both customer and utility-owned applications.

FCE's specific comments are provided below.

#### Fast Track less than 2 MW

- 1. Should the ISO increase the size limit for Fast Track qualification? If so, would you support a 5MW size limit or a different value? Explain your reasons.**

FCE supports an increase in the size limit for Fast Track qualification to 5MW.

FCE supports the recommendation of the CPUC Staff and others to raise the 2 MW limit for projects that qualify for the fast track process to 5 MW. As explained by the CPUC Staff, a higher threshold will lower costs to consumers and ratepayers if 2-5 MW projects are allowed to use the fast track process. In addition, as the CPUC Staff explains, based on an analysis of

excess capacity at the distribution feeder level (using California IOU data from 2008), it seems that a large number of distribution feeders could easily interconnect renewable energy projects greater than 2 MW. The 5 MW limit, while not the upper limit of projects that can easily connect to the existing distribution system, seems to be a fair limit based on the data.

There has been extensive discussion before the CAISO regarding the direction of FERC Order No. 2006 to “remove unfair impediments to market entry for small generators by reducing interconnection costs and time.” Even if the fast track program is increased to 5 MW, it will still be onerous and difficult to access. As the FIT Coalition has commented, as long as the application process for all projects, including projects 2 MW and below, will be the LGIP application, smaller projects will face an overly burdensome and almost insurmountable hurdle. Therefore, in addition to increasing the fast track to 5 MW, the CAISO should further investigate why small generators continue to find it difficult to successfully access and complete the fast track.