

BOARD MEETING DATE: May 1, 2020

AGENDA NO. 4

PROPOSAL: Amend Award and Execute Contract for Stationary Fuel Cells

SYNOPSIS: In January 2018, the Board approved an RFP to solicit stationary and mobile source projects that will result in emission reductions of NOx, VOC, and PM. Subsequently, in January 2019, Bloom Energy Inc. was awarded \$3 million for fuel cells integrated with energy storage on the College of the Canyons campus. Bloom recently requested a change in scope of the project that reduces the award amount but does not impact the emission reduction benefits. This action is to amend the award, the scope of the project and execute a contract with Bloom Energy Inc. in a total amount not to exceed \$2,934,052 from the EO Mitigation Fund (27).

COMMITTEE: Technology, April 17, 2020; Recommended for Approval

RECOMMENDED ACTION:

Authorize the Chairman to execute a contract with Bloom Energy Inc. with a revised scope for Fuel Cells Integrated with Energy Storage on the College of the Canyons Campus project in a total amount not to exceed \$2,934,052 from the EO Mitigation Fund (27).

Wayne Natri
Executive Officer

MMM:NB:JI:LM

Background

In January 2018, the Board approved the release of RFP #P2018-06 to solicit proposals for emission reduction projects in accordance with the control strategy in the 2016 AQMP. In January 2019, twenty-six proposals were approved for a total amount of

\$47,385,792, including an award in accordance with 2016 AQMP CMB-01 - Transition to Zero and Near-zero Emission Technologies for Stationary Sources to Bloom Energy, Inc. (Bloom) in an amount of \$3 million for installation of a 1.5 MW fuel cell with a 500 kW Battery Energy Storage System (BESS) at College of the Canyons, replacing an existing cogeneration system.

During project development, Southern California Edison (SCE) notified Bloom that the interconnection tariff to allow multiple technologies to connect behind the same meter has not been implemented on schedule, and therefore the BESS is not allowed to interconnect to SCE’s electrical system. Bloom decided that the BESS had to be removed from the installation plan and is requesting a revised scope of work for this project. The revised project will not impact the overall emission reductions, which are primarily the result of removing the combustion combined heat and power (CHP) system.

Proposal

Bloom proposes to remove the BESS from the project to address SCE’s tariff and net-metering requirements. The changes to the project have a negligible impact on the overall emissions, with no impacts for NOx reductions that were quantified in the initial proposal, as summarized in the table below:

	Tons NOx Reduced over 15 Years	Tons SO ₂ Reduced over 15 Years
Original Proposal	2,700	3.7
Proposed Revised Project	2,700	2.4

The proposed revisions result in reduced installation costs. Staff is proposing to reduce the incentive award from \$3,000,000 to \$2,934,052 to maintain the original cofunding percentage included in the proposal.

Benefits to South Coast AQMD

Upon successful deployment, this modified project has the potential to provide the same long-term emission reduction benefits for NOx as the originally awarded project.

Resource Impacts

The revised cost for the recommended project will be provided from the EO Mitigation Fund (27) and will not exceed \$2,934,052.