



Bloom Energy Offers 10 Year Electricity Contracts With No Upfront Costs !

By [Gina-Marie Cheeseman](#) | January 27th, 2011

Bloom Energy offers companies a 10-year electricity contract for its **Bloom Box fuel cells** in a program called Bloom Electrons. Bloom Electrons allows customers to purchase energy provided by the Bloom Box without paying for other costs. The Bloom Box, without Bloom Electrons, costs around \$800,000. The program allows customers to lock in electricity rates for 10 years. Bloom will manage and maintain the systems and the customers only pay for the electricity used. A **press release** claims customers can save up to 20 percent on their electricity bills. Big name companies such as Walmart, Staples, Coca-Cola, Caltech, and Kaiser Permanente have already signed up.

The California Institute of Technology (Caltech) is one of the first organizations to use Bloom Electrons with a two megawatt (MW) installation. Dean Currie, vice president for Business & Finance at Caltech, says that Bloom Energy "enables Caltech to more effectively carry out its core mission of research and education by providing cleaner, more economical and predictable power which ultimately helps us achieve our strategic infrastructure and sustainability goals."

"Bloom Electrons is about providing universal access to clean, reliable, affordable energy. Empowering our customers to buy energy on their terms is another significant step on our journey to change the way energy is generated and consumed in the world," said KR Sridhar, principal co-founder and CEO of Bloom Energy. "We are thrilled to welcome new customers and take special pride in our repeat customers."

The Sunnyvale, California based company began in 2001. John Doerr and Kleiner Perkins were the first investors in the company. Bloom shipped its first commercial products shipped to in July 2008.

Bloom makes big claims about itself. On the company's website, it states that Bloom "is changing the way the world generates and consumes energy." The website also states that its energy servers are "among the most efficient energy generators on the planet; providing for significantly reduced electricity costs and dramatically lower greenhouse gas emissions." Of course, the "significantly reduced electricity costs" are with government incentives, as **Lux Research** pointed out last year. at a steep price, and the energy cost savings could stand without incentives, then Bloom's claims will come true.



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An **Eco Geek** post lists the claims told by Bloom about the Bloom Boxes in a 2010 press release and refutes them:

- **Bloom claim**—The Bloom Box works with “nearly any fuel source.”

Truth—Its website says it runs on natural gas, and directed Biogas.

- **Bloom claim**—The box “provides a cleaner, more reliable, and more affordable alternative to both today’s electric grid as well as traditional renewable energy sources.”

Truth—Bloom Box is not as clean as solar or wind.

The **Eco Geek** post points out that “marketing double-speak isn’t good for anyone.” The Bloom Box could one day live up to its claims that it will save money. Eco Geek reports that the company wants to shrink the size of the Bloom Box so the cost would be about \$3,000. If Bloom can achieve that, the boxes would be cost efficient. As it stands, the boxes come at a steep price, and the energy cost savings could stand without incentives, then Bloom’s claims will come true.

