thermodynamic heat balance diagram. 66 SDG&E recommends that Form 556 require an applicant to more narrowly specify the facility's electric power production capacity in terms of the qualified portion of the facility instead of simply on a stand-alone basis (*item 4b*).

American Forest and Paper asks the Commission to delete the proposed inquiry into the total energy input of a facility (*items 4d and 5*). It notes that, for a small power production facility, *item 7* addresses compliance with the fossil fuel use limits and that, for a cogeneration facility, the fuel used is relevant only for compliance with the efficiency standard. According to American Forest and Paper, *item 11*, concerning operating and efficiency values for cogeneration, should apply only to oil or natural gas fueled cogeneration facilities.

EEI recommends that the Commission broaden its consideration of waste energy input (*item 4d*) to include the Commission's "no current commercial value" test or a United States Department of the Interior, Bureau of Land Management (BLM) waste determination. SDG&E recommends that the Commission add new *item 4e*, which would require a description of the QF's point of delivery with the purchasing utility. It also suggests that Form 556 require an applicant to present the facility's energy input (*item 5*) in terms of "lower heating value." ⁶⁷

EEI suggests that the Commission make its determination of the amount of total energy input into a small power production facility (*Item 7*) in terms of Btu/lb. or Btu/cubic ft. of gas at standard temperature and pressure and that Form 556 require an applicant to specify the annual Btu consumption of primary fuel. EEI notes that Form 556 does not define eligible and non-eligible small power production facilities (*Item 8*).68

American Cogen maintains that a cogeneration system cycle diagram depicting the physical arrangement of system components (item 10) is often premature and burdensome, since certification often occurs before selecting a general contractor and completing the detailed layout. American Cogen also contends that small facilities, under 2 MW, should be exempt from the cycle diagram requirement. The CPUC, observing that items 10 and 14 address cogeneration system input and output values, suggests that it would be useful to directly relate each input and output value to the cycle diagram to show more clearly what each value represents.69 SDG&E suggests that, for absorption chiller thermal applications, there should be specification of the heat that will be sent to the chiller's cooling tower, and any factor converting the chilled water in terms of net Btu cooling output to net heat input to the chiller, as well as the relevant flow rates, temperature, pressure, and enthalpy

SDG&E suggests that the Commission should require an applicant to specify the entity that will purchase the useful thermal energy output from the facility and any affiliation such entity may have with the cogenerator (*item 12*). SDG&E further recommends that the description of any heat dump, exhaust bypass or other such device for dumping, transferring or applying heat to something other than the designated useful thermal energy output application, be provided in writing along with a simple diagram (item 13). AGA contends that, since distribution heat losses are an inherent and unavoidable characteristic of thermal consumption and are not a function of how thermal energy is created, Form 556 should not call for calculations of distribution heat losses.

EEI proposes that, if the Commission decides that applicants must include a completed Form 556 with all QF related filings, the Commission specify the type of filing that the Form 556 submission pertains to (e.g., Commission recertification, self-recertification, or pre-authorized change). EEI also suggests a requirement that, at all times, proper and accurate metering or other measuring and recording will be conducted to verify continuing compliance with the operating and efficiency standards. American Forest and Paper contends that the routine **Federal Register** notice accorded applications for Commission

certification should be sufficient to alert nearby utilities and other interested parties about potential QF obligations.

Commission Response: Applications for Commission certification under § 292.207(b) must include Form 556. Further, because the final rule will require filings under § 292.207(d)(2) to conform to the requirements of § 292.207(b), filings under § 292.207(d)(2) will include a completed and current Form 556. The Commission will also require that notices of selfcertification under § 292.207(a)(1) include a completed Form 556. However, the final rule does not require applicants to include Form 556 with preauthorized change filings under § 292.207(a)(2). To do so would be inconsistent with the notion that preauthorized changes do not require additional Commission review.

Concerning EEI's comments about verification of compliance with operating and efficiency standards, the Commission notes that cogenerators and small power producers are responsible for installing adequate monitoring equipment to ensure compliance with the Commission's regulations.

In response to American Forest and Paper's comment that **Federal Register** notice should suffice for applications for Commission certification, as we noted above, the adoption of Form 556 is intended to benefit QFs by facilitating successful applications for Commission certification and making cogenerators and small power producers more aware of QF standards. American Forest and Paper's comments concerning notice to affected utilities does not account for these benefits. Moreover, as discussed elsewhere in this final rule, the Commission is requiring a completed Form 556 for each self-certification filing, which, at revised item 3b, will specify the purchasing and wheeling utilities, if known. Since the Commission does not publish notices of self-certification in the Federal Register, the Commission will require that applicants provide copies of notices of self-certification to each affected utility and state commission.

We decline to adopt American Cogen's proposal to exempt facilities under 2 MW from the cycle diagram requirement. A cycle diagram is a minimal showing of the operation of the cogeneration process.

We decline to adopt SDG&E's suggestion that applicants specify several factors related to absorption chiller thermal applications. The Commission has held that PURPA does not require the thermal use to be the

 $^{^{66}\,\}mathrm{This}$ information should be provided in Form 556, items 4a and 10.

⁶⁷ Lower heating value refers to the amount of useful heat energy that can be obtained during the combustion process, since the latent heat of water vaporization in the combustion of hydrocarbon fuels is not recoverable. Order No. 69, FERC Stats. and Regs., Regulations Preambles 1977–1981 ¶ 30,134 at 30,937. Section 292.202(m) requires that one use lower heating value to measure the energy input of oil or natural gas. SDG&E also asks the Commission to require an applicant to specify the conversion factor that it uses to convert the higher heating value to the lower heating value.

⁶⁸ Under section 3(17)(E) of the FPA, eligible facilities are certain solar, wind, waste and geothermal powered small power production facilities that are not capped at the PURPA 80 MW size limit, for which a filing regarding QF status had been submitted to the Commission by the end of 1994 and for which the construction must generally commence before the end of 1999.

⁶⁹The Commission agrees that there should be a correlation between the input and output information provided in *items 10 and 14*.