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The Volatile History of Bloom Energy (BE) & How it Finally Succeeds.

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The Volatile History of Bloom Energy (BE) & How it Finally Succeeds.

Preface & Introduction.

There's a reason for the constant short on Bloom. The disbelief started years ago. In 2019 Hindenburg pointed out all the wrongs the sell side was not saying. There was a reason the stock went under \$5 back in 2019. It's possible the IPO was just to pay off future warranties. 2019 would end up being worse for the stock than Covid would be. Reverse contracts with faulty products were a \$2.2B liability that would bankrupt the stock Hindenburg would say in print.

[Bloom Energy: A "Clean" Energy Darling Wilting to its Demise – Hindenburg Research](#)

Bloom Energy Has an Estimated \$2.2 Billion In Undisclosed Servicing Liabilities That We Expect Will Sink the Business

A month later Axios added significantly to the short story. Now fully entrenched.

[Bloom Energy's history of questionable numbers \(axios.com\)](#)

Oct 30, 2019 -[Energy & Environment](#)

Bloom Energy's history of questionable numbers

Fuel cell maker Bloom Energy went public in July 2018, six years after a scandal in which its bankers were found to have misled prospective investors. But Axios has learned that Bloom itself has a history of playing fast and loose with its numbers. Why it matters: Bloom was one of Silicon Valley's earliest unicorns, with a high-powered board of directors that includes Colin Powell and John Doerr. It's a cautionary tale of what can happen when narrative overtakes results.

But instead of going under Bloom would launch from \$4 to \$40 almost immediately thereafter. Absolutely crushing a fully loaded short thesis that was essentially correct. Bloom Energy, an unprofitable emerging technology that was still faulty and at risk of reverse charges was true. Over the next few years \$40 would drop under \$10, and return there many times. With good quarters and bad creating extreme volatility. Turning Bloom into a \$4B company that trades like a penny stock for good reason.



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Millions in charge-backs became real, the tax credits were delayed a year, skyrocketing interest rates delayed projects, and the hydrogen rollout became jagged. All of which is now part of Bloom's volatile past because they finally achieved true proof of concept with the ability to massively scale. It's taken 14 years for everything to be right, and Bloom to be the company it said it would be.

SAN JOSE, Ca., April 29, 2024 – Bloom Energy (NYSE: BE), a global leader in solid oxide fuel cell technology, announced today a groundbreaking partnership with Quanta Computer Inc. (TWSE: 2382.TW), a premier Taiwanese electronics manufacturer. The partnership adds another significant proof-point in Bloom Energy's capability to meet the ever-increasing time-to-power challenges of the burgeoning AI sector.

SAN JOSE, Calif., May 9, 2024 – Bloom Energy (NYSE: BE), a global leader in solid oxide fuel cell technology, announced today a power capacity agreement with Intel Corporation that will result in Silicon Valley's largest fuel cell-powered high-performance computing data center.

“...To meet additional HPC scale needed for Intel Products and Intel Foundry, Intel is leveraging Bloom Energy technology to power the next Data Center expansion.”

The entire corporate outlook changed when [Intel](#) and [Quanta](#) validated Bloom. Everything changed just a few months ago because it wasn't just Intel and Quanta that now needed the Bloom Box, their microgrid could now be the blueprint for AI data centers globally. Bloom is going back to its roots where it envisioned being ubiquitous. A utility replacement thesis sold on *60 Minutes* in 2010 (please watch, [link](#).) The original microgrid play has suddenly reappeared, and now is the bridge to the massive hydrogen future. Where [Bloom Electrolyzers](#) are just as important as the Bloom Box. Validating the exponential potential for BE after historic volatility.

The short story is officially stale, based on a past that no longer exists. The technology works and is now ramping into AI, [the tax credits are coming](#), declining rates will unlock projects, and the [Hydrogen Hubs](#) are about to be made (also see publication: *Darkest Before the Dawn. The Hydrogen Era Begins.*) For the first time since the IPO the short story is wrong and the short squeeze will begin anew. Bloom went to \$40 last time, and has a history of crushing the shorts just when they go all in.

The history starts with John Doerr, the man who started Bloom.





The Volatile History of Bloom Energy (BE) & How it Finally Succeeds.

The History Starts w/John Doerr.

In 2001, I made the initial investment to help KR Sridhar achieve his goal of changing the way the world generates and consumes energy. The team packed up three Uhauls and headed to NASA Ames Research Center in Silicon Valley, and Bloom Energy was founded.

Over the next few years, the technology quickly developed from concept, to prototype, to product, as the major technological challenges were solved and the systems became more powerful, more efficient, more reliable, and more economical.

Bloom is now powering several Fortune 500 companies such as Google, Walmart, FedEx, eBay, and others. They have grown into a 1000+ person company with headquarters and manufacturing operations in California. They've built a global supply chain, and recently announced plans to build a new manufacturing facility in Delaware, taking over the abandoned Chrysler plant and reinvigorating job growth.

Bloom is a story of success in American energy innovation and job creation.

<https://americanenergyinnovation.org/john-doerr/>

Bloom Energy Gets on 60 Minutes.

It took 8 more years for Bloom to come out of stealth mode in 2010. They did so in grand fashion, stating to [60 Minutes](#) that a Bloom Box could be in every home as early as 2015. After all, this was John Doerr's first energy investment.

After eight years of operating in quasi-stealth, Bloom Energy came out with a bang today at an event in Silicon Valley attended by Arnold Schwarzenegger, Colin Powell, Larry Page, John Doerr, and executives from eBay, Walmart, Coca-Cola, and FedEx. All of the big-name companies, including Google, are beta customers of Bloom's distributed energy fuel cell technology (which was the subject of a 60 Minutes profile on Sunday and various other stories since then).

Doerr, the Kleiner Perkins VC who backed both Bloom and Google, said today: "This Is Like The Google IPO." Except without the IPO part. Doerr was referring to the fact that, like Google, Bloom has kept its business close to its vest until it actually could show some progress in terms of customers and products.

[John Doerr On Bloom Energy Launch: "This Is Like The Google IPO" | TechCrunch](#)



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The Bloom IPO & The Wheels Fall Off Immediately.

Bloom would disappear for 8 more years before they went public in 2018 @ \$15, closing at \$25 on the day. It wasn't more than a quarter after the IPO when the wheels started to fall off the stock. By the fall of 2019 Bloom was in freefall; by September 2019 the stock broke \$5, and would worsen. That's when Hindenburg issued their report, when the stock was already down 75%.

[Bloom Energy: A "Clean" Energy Darling Wilting to its Demise – Hindenburg Research](#)

We expect Bloom Energy will become yet another tombstone in the Silicon Valley cemetery of dead unicorns.

Original Hindenburg Research from Sept 17, 2019 (BE \$4.25.)

They would go on to say:

Bloom's Operational Reality: An Emissions-Spewing, Hazardous Waste-Creating, Uneconomical Product That is Failing in The Real World

Bloom Energy Has an Estimated \$2.2 Billion In Undisclosed Servicing Liabilities That We Expect Will Sink the Business

In short, Bloom's expected server life is untested at best, and its history has demonstrated a 4-7 year lifespan.

A month later Axios reported the same, fully endorsing the short with new ammunition.

[Bloom Energy's history of questionable numbers \(axios.com\)](#)

While still a privately-held company, Bloom repeatedly disseminated unreliable data and rose-colored projections, according to documents reviewed by Axios.

John Doerr would retire from the Board in 2021.

A Complete & Total Turnaround Started in April: Global Microgrid Validation Bridges the Gap to the Hydrogen Future.

It's been about 14 years since the *60 Minutes* interview. Where Bloom thought they'd be in every home by as early as 2015. 14 years it took to get here. To true technical global adoption, true validation and a welcoming to the hype/adoption curve once again.

[Quanta](#) was first to go globally with Bloom in April. Then in May [Intel](#) said they were going big on the Bloom Box too. Then a handful of other announcements before the next big one dropped with CoreWeave.

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Bloom Energy and CoreWeave Partner to Revolutionize AI Data Center Power Solutions
New Installation to Power Cloud-Based AI Computing Models

<https://newsroom.bloomenergy.com/news/bloom-energy-and-coreweave-partner-to-revolutionize-ai-data-center-power-solutions-6903732>

The original global microgrid solution suddenly reappeared. The technology is validated. 14 years later, which is why the short was able to coexist alongside the massive potential.

Conclusion.

The original vision for Bloom Energy is finally here. After self-inflicted wounds, and short stories that were true, Bloom is finally at the beginning of fulfilling its promises.

Bloom in-home reappears

[Home | BE Home \(behomepower.com\)](https://behomepower.com)

Initial shipments of B|E HOME systems will begin in the second half of 2025. After placing your reservation, you will receive confirmation that your order has been accepted along with an estimated shipment date. This information will be updated periodically as the date gets closer.

The Bloom microgrid will serve a bridge to their hydrogen future. A future that was delayed by in-fighting over the tax credits. In the end the extreme volatility that will define Bloom's stock history actually all makes sense. The random walk really isn't that random, the path is just hard to see. Which is why the shorts don't know that they are very close to getting crushed again.



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Appendix.

Bloom founder and CEO KR Sridhar, who got his start designing technologies for NASA that would allow humans to live on Mars, explained how Bloom’s [fuel cell technology](#) works. It takes almost any fuel from ethanol to biomass and turns it into electricity.

Each fuel cell, which is made from sand essentially (zirconium oxide), is a square wafer about the size of a CD box. Each wafer can produce about 25 watts of energy, enough to power a lightbulb. Stack them together and you get a box that could power a house. Group them into larger units, and you get enough energy to power a building or an entire campus. He calls them energy servers because they are modular like servers in a data center. Need more energy? Add more boxes.

They are like backyard generators. No electricity is lost through distribution, and they can convert a variety of fuels into electricity, allowing customers to use whatever is locally available or cheapest. There are no moving parts, vents, or discharge other than heat.

[John Doerr On Bloom Energy Launch: "This Is Like The Google IPO" | TechCrunch](#)



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- ∞ Phase IV methodology is thematic – contrarian, producing top-down targets that are then vetted through a bottoms-up fundamental process. Phase IV analyzes Street consensus to find an edge, uses technical analysis to determine timing, then looks for an emerging catalyst that will drive the targeted name into adoption to produce exponential returns over a two-year period. A methodology that exploits maturation into the hype-adoption curve.
- ∞ Research provider to Refinitiv/First Call (LSEG.) **Analyst ID# 8RG8.**
- ∞ Publications are varied in frequency. Made in graphic arts, and sometimes the publications are meant to be art.
- ∞ Idea generation is made for financially trained professionals only. *Idea Flow for the Buy Side & Politics for the Buy Side.*
- ∞ Phase IV Research is institutionally compliant to over \$1T in AUM. All research is taken from open public sources. Equity targets with exponential potential are found without the use of expert networks, internal surveys, or private company triangulation.
- ∞ I own Bloom (BE.)

Bio.

Born and raised in San Francisco. Went to UCLA. Graduated with honors in Political Theory. Started institutionally with Bear Stearns. Became the Director of Research for *The Shemano Group* which went under in the Great Recession. Created Phase IV at the beginning of 2010 to market a methodology of finding exponential returns to the Buy Side. Became a SMID Cap specialist with macro insights developed from inference and anomaly. First ideas in print were LVS @ \$2 and BID @ \$8. I've been finding the same pattern ever since.

Still in San Francisco.

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Knowing The
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