

**Subject: File No. S7-31-08**  
**From: Alain Engelen**

December 31, 2008

Please read the following ; Beacon Power is dying while we are watching it : the reasons are twofold :

1: David GELBAUM quickly accumulated over 15M shares one year ago. He has since then been selling massive portions of his stock (over 10M at huge losses); whenever the price tends to go upwards (news / general interest) Gelbaum sells and returns the price to new lows.  
2. Over 12% of Beacon's shares are short. As there is no sign of covering, I assume the shorts know what Gelbaum is doing and where the share price is going to.

Author cites:

**1 Subject: File No. S7-31-08**  
**From: F. William Capp**  
**Affiliation: President and CEO, Beacon Power Corporation**

December 31, 2008

December 30, 2008

Florence E. Harmon  
Acting Secretary  
Securities and Exchange Commission  
100 F St. NE  
Washington, DC 20549-1090

RE: Comments on Disclosure of Short Sales and Short Positions by Institutional Investment Managers (Interim final temporary rule)  
Release No. 34-58785 File No. S7-31-08

Dear Ms. Harmon:

On behalf of Beacon Power Corporation, I am writing in response to the request of the Securities and Exchange Commission (the Commission) for comments regarding the Commission's interim final temporary rule requiring certain institutional investment managers to file Form SH reporting certain short sales and short positions (Rule 10a-3T).

In order to prevent market manipulation and protect smaller publicly traded companies from predatory trading activities, we believe that the Commission should disclose large short positions immediately and expose short sellers. The administrative aspect of this seems to be more of a bureaucratic issue, which at the present time favors short sellers (e.g., rule number 34-58785 / S7-31-08). It is our hope that the Commission's new chairman will rectify the

situation and provide investors and company executives with the information they need to protect themselves.

We question the fairness of protecting only banks and financial institutions against short selling, while at the same time allowing small companies to fall victim to toxic financing. Start-up companies are a key element in the future of our economy. By seeking to profit by applying steady pressure on the share price of such companies, short sellers impact our overall economy. To compound this harmful activity, under current Commission rules short sellers can operate with impunity, all the while lobbying the Commission to continue to protect their anonymity.

Beacon Power (Nasdaq: BCON) is a small company that seeks to enable the so-called smart grid by developing and deploying clean energy storage technology that will provide frequency regulation service. We have proven that our technology produces zero direct emissions and is cheaper and faster than conventional coal or natural gas burning power plants now being used for the same service. Our work has also been consistently supported by the U.S. Department of Energy and various state agencies and grid operators.

As we have made steady progress toward commercializing our technology, there has been a significant level of short selling in our company's stock. This has made it more difficult for us to raise capital at reasonable terms. It is impossible to know which groups are behind this activity unless the SEC identifies the large holders of short positions.

We believe that in this time of economic turmoil, the Commission and other regulating agencies should investigate and expose the hedge funds and other financial groups that are using their anonymity to negatively affect small companies like Beacon Power. We urge you to modify rule 34-58785 / S7-31-08 immediately to make it more transparent and thereby level the playing field for all.

Thank you for your kind consideration.

Respectfully,

F. William Capp  
President and CEO  
Beacon Power Corporation