

May 2, 2011, 1:02 p.m. EDT

Alternative Energy Watch: All is Not Bright for BrightSource; A Geothermal Bankruptcy; Mexican Biofuels; First Quarter Venture Capital Funding (GOOG, RZTI, FSLR)

By 24/7 Wall St.

Today's roundup of alternative energy news covers a potential stumbling block for BrightSource Energy's Ivanpah solar thermal plant, the expected bankruptcy of a geothermal company, a shortfall in Mexico's biofuels production, and a nice boost in venture funding for clean energy projects.

BrightSource Energy, Inc. has gotten a lot of good news lately. Google Inc. (NASDAQ: GOOG) invested \$168 million in the company and the federal government ponied up \$1.6 billion in loan guarantees to construct the company's 392-megawatt Ivanpah solar thermal power plant. The company has also filed for an IPO, mainly on the strength of its go-ahead to build Ivanpah. That permission could be in danger, though, since the US Bureau of Land Management has countered an earlier biological assessment by the US Fish and Wildlife Service, concluding that a rare species of desert tortoise is, in fact, in danger of being killed or displaced by the BrightSource project.

The US FWS survey estimated that the project would disturb only a few dozen of the creatures, while the BLM study estimated that the project could lead to the loss of nearly 1,000 of the tortoises. The BLM study requires that BrightSource relocate the tortoises, which will add to the cost of the project and probably push out the schedule. How this particular wrinkle is ironed out will have a significant impact on federal government plans to open up large tracts of federal land for industrial scale clean energy projects.

Geothermal energy developer Raser Technologies Inc. (OTC: RZTI) has filed for Chapter 11 bankruptcy protection while it tries to restructure its business and finances. The company has arranged for \$8.75 million in debtor-in-possession financing to keep the company going and plans to restructure more than \$90 million in secured and unsecured debt and more than \$5 million in unpaid bills. What the company can do to pull itself out of this mess is complete more of its projects. But geothermal development costs a lot of money and takes a lot of time, both in short supply for Raser.

The government of Mexico had set a target of 2010 for the country to blend 3.2% of its gasoline supply with biofuels. That target date has come and gone, and has now been reset to 2012. If the new target date is to be realized, then the country and its national oil company, known as Pemex, are going to have to spend some real money.

Developing biofuels has fallen down the country's priorities list as Mexico tries to figure out how to slow its outflows of hard currency to pay for imported gasoline. Pemex's crude oil production has dropped about 30% since 2004 putting a severe crimp in investing in more exploration and development. The country needs to develop a biofuels industry so it can avoid paying for imported gasoline. There's the beginning of a vicious circle here.

Venture capital investment in cleantech during the first quarter of 2011 reached \$1.14 billion, up 54% from the same period a year ago, according to a study by Ernst & Young LLP. Investment in later stages was the most common.

Thin-film solar PV start-up MiaSole took home \$106 million, about a quarter of the funds invested in energy and electricity generation companies. MiaSole manufactures copper indium gallium selenide (CIGS) thin-film solar panels, and competes with the cadmium telluride (CdTe) technology from First Solar, Inc. (NASDAQ: FSLR). First Solar is also working on a CIGS product.

In the energy storage segment, Bloom Energy and its fuel cell took the largest deal - \$100 million. The least amount of investment went into energy efficiency companies, with a total of just \$95 million in investment during the quarter.

Companies based in California took 56% of the investment (\$637.2 million), up from 41% a year ago. Companies in the southeastern US grabbed \$150.2 million and New England-based companies took in \$174.2 million.

Paul Ausick

Copyright © 2014 MarketWatch, Inc. All rights reserved.
By using this site, you agree to the [Terms of Service](#), [Privacy Policy](#), and [Cookie Policy](#).

Intraday Data provided by SIX Financial Information and subject to [terms of use](#). Historical and current end-of-day data provided by SIX Financial Information. Intraday data delayed per exchange requirements. S&P/Dow Jones Indices (SM) from Dow Jones & Company, Inc. All quotes are in local exchange time. Real time last sale data provided by NASDAQ. More information on [NASDAQ traded symbols](#) and their current financial status. Intraday data delayed 15 minutes for Nasdaq, and 20 minutes for other exchanges. S&P/Dow Jones Indices (SM) from Dow Jones & Company, Inc. SEHK intraday data is provided by SIX Financial Information and is at least 60-minutes delayed. All quotes are in local exchange time.