

Bloomberg Businessweek

News From Bloomberg

<http://www.businessweek.com/news/2012-06-11/brightsource-to-bid-for-solar-trust-500-megawatt-project>

BrightSource to Bid for Solar Trust 500-Megawatt Project

By Ehren Goossens June 11, 2012

BrightSource Energy Inc. ([BRSE:US](#)), a solar-thermal developer that withdrew an initial public offering in April, is seeking to buy an unbuilt 500-megawatt power plant from the bankrupt Solar Trust of America LLC.

Solar Trust, a joint venture of the insolvent German company Solar Millennium AG (S2M) and steelmaker Ferrostaal AG, asked a bankruptcy court to schedule a June 15 hearing to approve BrightSource as a stalking-horse bidder for its solar-thermal Palen project in Riverside County, California, according to a court filing.

As a stalking-horse bidder, BrightSource will be able to make a “minimum floor bid” for the Palen solar project before a scheduled June 21 auction for Solar Trust’s assets, according to the June 8 filing, which didn’t say what BrightSource may bid. BrightSource, based in Oakland, California, didn’t reply to phone and e-mail messages today.

“Since it’s already gone through many of regulatory approvals, the project may give BrightSource the potential to essentially skip the line and sign a power purchase with a utility,” Anthony Kim, analyst at Bloomberg New Energy Finance in New York, said today in an interview.

Palen will have two adjacent 250-megawatt solar plants. Solar Trust is also seeking to sell the 1,000-megawatt Blythe plant in Riverside County and a 500-megawatt project in Amargosa Valley, Nevada.

Plunging Prices

Solar Millennium filed for bankruptcy protection after the plunging price of photovoltaic panels made its solar-thermal technology less competitive. The company planned to use arrays of trough-shaped mirrors to focus sunlight on a fluid-filled pipe to power a steam turbine and generate electricity.

BrightSource is building the \$1.6 billion Ivanpah plant in California’s Mojave desert using a different solar-thermal design. Its power-tower system uses mirrors to focus sunlight on a boiler atop a central tower, generating steam to produce electricity.

As of April, there were 9.2 gigawatts of solar photovoltaic projects requesting interconnection to the grid in California, BNEF estimated in a report. The winner of the assets up for auction, which already has permitting and interconnection rights, could yield the winner almost immediate access to the grid.

Solar Trust listed as much as \$10 million in assets and as much as \$100 million in debt in its April 2 Chapter 11 bankruptcy filing.

To contact the reporter on this story: Ehren Goossens in New York at egoossens1@bloomberg.net

To contact the editor responsible for this story: Reed Landberg at landberg@bloomberg.net

©2014 Bloomberg L.P. All Rights Reserved. Made in NYC