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## Another Obama-backed energy firm may be close to collapse

Another energy firm backed by the Obama administration appears to be headed toward collapse.

This time it's a Nevada geothermal company that benefited from a \$98.5 million federal loan guarantee that's in the spotlight.

Auditors for Nevada Geothermal Power have doubts about whether the company can stay afloat, the *Washington Times* reported Thursday, citing an internal audit of the firm.

The company has racked up \$98 million in net losses in the past several years, cannot produce enough cash from current operations after debt-service payments and carries significant debt, the audit said.

Nevada Geothermal Power will hold its annual shareholders meeting on July 24, which will touch on the structure of the firm's debt regarding the Blue Mountain geothermal power project in Humboldt County, Nev.

That 49.5-megawatt project is what secured the federal loan guarantee in 2010 for the company. The federal government backs 80 percent of the loan.

The Blue Mountain project had grabbed a \$57.9 million grant from the Treasury Department in 2009 and another one from that department for \$7.9 million in 2011, the company said.

In a June 29 company release to shareholders, the firm suggested major changes were in store. It said it would be discussing at the shareholder meeting "a summary of certain steps that have been taken to reduce operating costs" and "a proposed share consolidation" to open up equity financing, "which is vital to sustain the company."

Calls to Nevada Geothermal were not immediately returned.

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