

# CA City Takes Solar Firm's Bankruptcy In Stride

The Associated Press

BLYTHE, Calif. (AP) — The latest setback in a stalled 1,000-megawatt solar plant in the Southern California desert came nearly 10 months after Interior Secretary Ken Salazar and Gov. Jerry Brown broke ground on what was then touted as the world's largest solar project and a keystone of the Obama administration's solar energy efforts.

Blythe plant developer Solar Trust of America sought Chapter 11 bankruptcy protection in a Delaware court on Monday because the Oakland-based firm was unable to meet a deadline for an Energy Department loan guarantee.

Solar Trust listed assets of up to \$10 million and debts of up to \$100 million. The company's two main assets are the Blythe project and a proposed 500-megawatt Palen solar project in Riverside County. The Palen project 10 miles east of Desert Center hasn't gotten Bureau of Land Management approval.

The company still maintains development rights to both projects.

Plans call for the Blythe solar project in Riverside County to partially stretch across 7,000 acres of public land in the lower Colorado River Valley with giant parabolic solar troughs, enough to power 300,000 homes.

And it could create 1,000 construction jobs in the city of 20,800 people.

Blythe City Manager David Lane told The Desert Sun of Palm Springs (<http://mydesert.co/HkWnYe>) that residents are taking the Solar Trust bankruptcy in stride.

"It's a little blip," Lane said. "I don't think people are as disappointed as you might think. ... When you consider the amount of investment in the project and what it's got going for it, someone is going to build it."

Solar Trust is the latest failure in a solar industry shakeout that began last year when Northern California-based panel manufacturer Solyndra closed its doors, defaulting on a \$535 million federal loan guarantee.

Like Solyndra, Solar Trust had received a \$2.1 billion federal loan guarantee.

The Blythe project began unraveling two months after the June 17 groundbreaking.

On Aug. 18, the firm put the Blythe project on hold for a switch from solar thermal troughs to photovoltaic panels.

Solar Trust's German parent company, Solar Millennium, announced two months

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later that a tentative deal was reached to sell Blythe and its other U.S. projects to Germany's Solarhybrid.

But the deal fell through and Solar Millennium filed for bankruptcy in Germany on Dec. 21.

Solar Millennium then announced on Feb. 4 that it had finalized the deal to sell Blythe and its other U.S. projects to Solarhybrid, which filed for bankruptcy in Germany about seven weeks later.

Rosemead-based Southern California Edison, which had a contract to purchase power from the Blythe project, said the bankruptcy will not hurt the utility's strategy for obtaining 33 percent of its power from renewable sources by 2020, as required by California law.

Edison planned for a 40 percent failure rate, said Bill Walsh, Edison's manager of renewable procurement. "We've been planning for that reserve margin. It's not as big a hit as you think it would be."

Michael Picker, the governor's senior adviser on renewable energy facilities, said he's optimistic the Blythe project will eventually be completed, noting financial reversals aren't unusual for large-scale projects.

"It's got the land mass for something as big as 1,000 megawatts; it's got transmission; it's got permits; and I bet there's some market for it," he said. "I would not be surprised to see a couple bidders show up and get under way pretty soon."

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