

U.S. solar power plant backed by over \$700 million in taxpayer loans goes bust as Tesla found to have cooked the books

[Nichola Groom](#)

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(Reuters) - The owner of a big Nevada solar-thermal power plant that received \$737 million in loans from the U.S. Department of Energy filed for bankruptcy on Thursday, according to a court filing, potentially leaving U.S. taxpayers with a whopping bill.

The project's failure is a blow to the DOE renewable energy loan program, which had already been criticized by Republicans as a waste of money after it backed failed solar panel maker Solyndra during the Obama administration.

Tonopah Solar Energy LLC still owes \$425 million on its DOE loan, but reached a settlement under which the department will recover at least \$200 million, it said in court documents filed in U.S. Bankruptcy Court in Delaware.

The deal is subject to court approval.

In a statement, DOE spokeswoman Shaylyn Hynes said the settlement decision “was made after years of exhausting options within our authority to get the project back on track.”

A senior Trump administration official said the settlement “secures taxpayer money that was squandered by the previous administrations’ failed energy pet projects.”

Tonopah is owned by SolarReserve, the startup that developed the plant, Cobra Energy Investments LLC, a division of Spanish infrastructure company ACS ([ACS.MC](#)), and Banco Santander SA ([SAN.MC](#)), according to court papers.

Tonopah’s 110-megawatt plant in the Nevada desert was billed as the first to be able to store solar energy. But its technology, which uses more than 10,000 mirrors to focus the sun’s heat on a tower to create steam, was both unreliable and expensive.

Soon after it began operating in 2015, the facility suffered a string of leaks in its hot salt tank, a key component of its energy storage system. It has not operated since April of 2019.

The plant had been selling power at \$139 per megawatt-hour, the company said. Solar energy contracts for large photovoltaic projects today are generally below \$30 per MWh.

The DOE’s loan guarantee program, created in 2005 under the Bush administration, was intended to support development of new, risky technologies that traditional project financiers shied away from.

The program for renewable energy projects was first funded in 2009 as part of former President Barack Obama’s economic

stimulus. Solyndra had received more than \$500 million in federal loan guarantees under the program before going bust in 2011.

Reporting by Nichola Groom; Editing by Marguerita Choy