

Taxpayers Are Paying Millions to Keep This Failing Google Solar Company Afloat

By [Philip Hodges](#)

The Ivanpah solar plant in the Mojave Desert in California was facing closure due to underperformance and high cost, but the California Public Utilities Commission (PUC) has decided to grant the federally-backed plant an extension. Ivanpah now has [until the end of July](#) to show an improvement in performance, and the PUC is not disclosing how much this will cost taxpayers.

[The Daily Caller reported:](#)

The California Public Utilities Commission subsequently refused to disclose how much the deal would cost state ratepayers. The PUC's Office of Ratepayer Advocates stood with other consumer groups who argued "customers should no longer pay for costs associated" with Ivanpah, [according to a PUC decision](#).

The PUC dismissed the ratepayer advocate's concerns and approved PG&E's plan to throw Ivanpah a lifeline, though the utility regulator wrote the "**[a]ctual costs of the Forbearance Agreements are confidential at this time.**"

The Ivanpah solar plant had received \$1.2 billion from the Obama administration in 2011, before it officially opened in 2014. At its opening, Department of Energy Secretary [Ernest Moniz lauded it:](#)

"This project speaks for itself. Just look at the 170,000 shining heliostat mirrors and the three towers that would dwarf the Statue of Liberty. Ivanpah is the largest solar thermal energy facility in the world with 392 MW of capacity — meaning it can produce enough renewable electricity to power nearly 100,000 homes."

The problem with the solar plant, however, was that it continued to underperform compared with what it was contractually obligated to produce for Pacific Gas and Electric (PG&E).

In addition, the cost was so high for it to underproduce electricity that it had to ask for an additional [half a billion dollars](#) in federal grant money just to keep it afloat and help pay off its \$1.6 billion loan. [The Daily Caller reported:](#)

The plant only generated 45 percent of expected power in 2014 and only 68 percent in 2015, according to government data.

And it does all this at a cost of \$200 per megawatt hour — nearly six times the cost of electricity from natural gas-fired power plants. Interestingly enough, Ivanpah uses natural gas to supplement its solar production.

These disappointing results at high prices could be the solar plant's undoing. California Energy Commission regulators hoped the plant would help the state get 33 percent of its electricity from green sources, but now the plant could be shut down for not meeting its production promises.

Ivanpah's managers blamed the plant's underproduction on the weather, saying that they've had to deal with a 9-percent drop in sunshine, which has apparently translated into a 32-percent drop in production.

The solar panels are using the sunshine not to be directly converted into electricity, but to boil water in order to [power conventional turbines](#). It burns natural gas about four and a half hours each morning just to get warmed up, [which according to David Kreutzer with the Heritage Foundation](#), "would be enough to generate [over one quarter of the power actually produced](#) from the solar energy."