Solar start-up BrightSource Energy shelves IPO

By Dana Hull

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SAN JOSE — Solar thermal start-up BrightSource Energy has shelved its plans for an initial public offering amid a turbulent stock market, a challenging year for solar energy companies and tepid interest from investors.  
  
The Oakland company said late Wednesday that it had decided not to pursue its IPO because of "adverse market conditions" and intended to withdraw the S-1 registration document on file with the Securities and Exchange Commission.  
  
"While we received significant interest from potential investors, the continued market and economic volatility are not optimal conditions for an IPO," Chief Executive John Woolard said in a statement.  
  
BrightSource, which is backed by VantagePoint Venture Partners, first registered with the SEC to begin its IPO process nearly a year ago, and its stock market debut had been eagerly awaited in Silicon Valley and by the clean-technology community.  
  
Rather than the photovoltaic solar panels found on residential rooftops, BrightSource builds massive solar thermal power projects in desert locations. Along with competitors like Abengoa and SolarReserve, it is a leading player in what's known as "concentrating solar power." But CSP faces growing competition from photovoltaic solar panels, which have drastically fallen in price, and CSP companies are racing to cut costs. The country is also awash in cheap natural gas, putting further pressure on renewable energy.  
  
BrightSource's pioneering solar thermal technology concentrates the sun's rays with motor-driven, mirror-like "heliostats" and "power towers" that reflect heat to boil water. The steam from the boiling water turns turbines that generate electricity.  
  
The company's flagship project is the massive 392-megawatt Ivanpah Solar Electric Generating System under construction on federal land in the Mojave Desert. When completed in 2013, Ivanpah will be the largest solar thermal power plant in the world, generating enough electricity for about 140,000 homes. The electricity will be sold to PG&E and [Southern California Edison](http://www.latimes.com/topic/economy-business-finance/southern-california-edison-company-ORCRP014199.topic).  
  
BrightSource was awarded a $1.6-billion loan guarantee from the Energy Department, whose loan program came under fierce attack from [House Republicans](http://www.latimes.com/topic/politics/parties-movements/republican-party-ORGOV0000004.topic) after Fremont, Calif.-based [Solyndra](http://www.latimes.com/topic/economy-business-finance/energy-resource-industries/alternative-energy/solyndra-llc-ORCRP0017617.topic" \o "Solyndra LLC), which was awarded a $535-million loan guarantee, filed for bankruptcy protection last year.  
  
The guarantee attracted private investors to BrightSource, including NRG Solar, which invested $300 million in the Ivanpah project. Google Inc. also invested $168 million in the project.  
  
*Hull writes for the San Jose Mercury News/McClatchy.*