

Regulators force PG&E to keep open the moneylosing Ivanpah plant.

California's Stranded Solar Assets

Remember when the climate lobby claimed that fossil fuels would become stranded assets, so oil and gas companies should start winding down their business? These days that better describes some green energy investments. Ford Motor this week wrote down some \$19.5 billion in electric-vehicle investment. Now Pacific Gas and Electric Co. is fighting California regulators to pull the plug on a costly solar plant.

We wrote about the Ivanpah solar project in the Mojave Desert when it began operating in 2014. The \$2.2 billion plant received investments from Google, NRG Energy and Bright-Source Energy, as well as a \$1.6 billion loan guarantee from the Obama Administration. Don't forget a 30% federal tax credit and a \$535 million Treasury grant.

X The Ivanpah plant used embryonic solar thermal technology that generated power from hundreds of thousands of mirrors focusing sunlight onto giant towers. But it produced far less power than expected, and at more than four times the cost of new solar photovoltaic projects. It was also the world's biggest bird fryer, incinerating thousands of birds a year.

PG&E earlier this year announced plans to terminate its power purchase agreement with the plant to save customers money. The utility said it didn't need Ivanpah's electricity to meet the state's 60% renewable mandate or ensure grid reliability since solar photovoltaic projects combined with batteries could provide electricity at lower cost. Energy analyst Robert Bryce calculates that nixing Ivanpah could save ratepayers about \$100 million a year. No matter, say the energy regulators who work for Gov. Gavin Newsom. The state Public Utilities Commission rejected PG&E's plan this month because it "risks stranding sunk infrastructure costs," namely in transmission systems.

Rate-payers spent hundreds of millions of dollars to connect the plant to the grid. Now the state plans to force them to keep subsidizing the project, which wasn't economic even with a tower of government handouts. Ford took a write-down on EVs to cut its losses. California regulators want to make rate-payers pour good money after bad.

One reason California electric rates are the second highest in the country after Hawaii is that regulators impose mandates with little regard to cost. The state renewable mandate compels utilities to enter into long-term contracts for solar and wind when they cost significantly more. California's climateers say this is the price for being a pioneer. No, it's the price of putting the ideology of imminent climate apocalypse above common sense.

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