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CSP developer BrightSource seeks \$182.5m in IPO

BrightSource Energy, developer of large-scale solar power tower technology and projects including the under-construction 377MW Ivanpah Solar Electric Generation System, seeks to raise up to \$182.5m in a public stock offering first announced nearly a year ago.

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The company has already signed up commitments from Alstom Power, one of its largest existing investors, and Caithness Development, to purchase \$65m and \$10m, respectively, worth of BrightSource stock at the eventual IPO price in a concurrent private placement. The company says it would net \$231.3m, including the private placements and the underwriters' allotment, at an IPO price of \$22. It says it would use the proceeds for working capital, capital expenditures and general corporate purposes.

BrightSource initially filed a registration statement with the SEC last April, but has only just now revealed the number of shares it wishes to sell and the price.

The public markets have been unkind to clean technology stocks since then. The **WilderHill New Energy Global Innovation Index** of about 100 publicly-traded clean tech companies is down more than 38% in the last 12 months, however it has gained about 10% so far this year, perhaps signaling to BrightSource and its advisors that stock market investors are again interested in the sector.

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The company has attracted high-profile investors at the corporate and project levels. Its current ownership structure includes venture capital firms VantagePoint Capital Partners (24% of shares before the IPO) and Draper Fisher Jurvetson (5.9%), Alstom Power (19.9%), Morgan Stanley (9.4%) and Los Angeles Advisory Services (6.7%). BrightSource's existing investors have pumped nearly \$539m into the company.

Google and NRG Energy together have a controlling equity stake in the Ivanpah project, buying out part of BrightSource's share as the project advanced -- a model the company says it intends to continue in future projects.

BrightSource's contracted project pipeline is substantial. It lists 13 long-term power purchase agreements (PPAs) for about 2.4GW of capacity with California investor-owned utilities Pacific Gas & Electric and Southern California Edison,

which "should provide us with significant revenue opportunity between 2012 and 2016", the company says in its prospectus. BrightSource claims to control enough land in the US Southwest to build 9GW of projects. Two projects in California, the 500MW Hidden Hills Ranch and the 750MW Rio Mesa, are under review by the California Energy Commission. The company plans to begin permitting the Sandy Valley project in Nevada this year.

The company retains a 14% share in Ivanpah. Its equipment supply and services agreements with the project are worth \$1.8m per megawatt, or \$672m of contracted sales, the company discloses.

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