Exelon buys solar project in Calif.

The Associated Press

Exelon Corp. said Friday that it bought a solar-power project being built in California and the federal government made a loan guarantee of up to $646 million to help finance it.

Exelon said it would invest up to $1.36 billion in the project, which it expects to add to earnings beginning in 2013.

The seller, First Solar, will build, operate and maintain the 230-megawatt facility near Lancaster, about 80 miles north of Los Angeles. Full production is expected in late 2013, and Pacific Gas & Electric Co. will buy all the power.

The U.S. Energy Department approved the loan guarantee — along with two others — before a midnight deadline for the loan program's expiration. The same program was used to pay for a $528 million loan to Solyndra Inc., a California-based solar panel maker that failed, leading to criticism of the Obama administration's renewable-energy program.

Exelon said the completed project in Southern California would supply enough electricity to run 75,000 average homes. The company said the deal pushed it into California, which it said was an attractive solar market with strong renewable energy policies.

Like other wholesale power companies, Exelon has been hurt by falling natural gas prices, which are used in many states to set the price of electricity.

Exelon announced in April it would buy Constellation Energy Group Inc. for $7.9 billion. The deal is expected to close early next year. Constellation owns five solar projects in California, but they are much smaller than the Lancaster project.

Exelon shares fell 69 cents, or 1.6 percent, to close at $42.61.

Source URL (retrieved on *07/22/2014 - 5:32am*):
http://www.chem.info/news/2011/09/exelon-buys-solar-project-calif