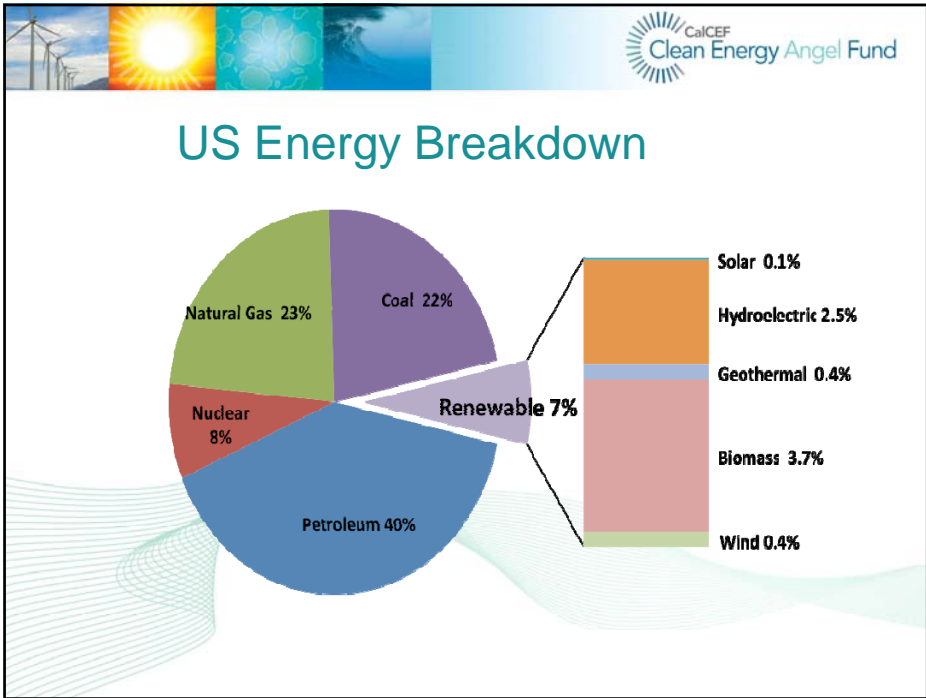



Berkeley Entrepreneurs Forum: Earth, Wind & Fire: The Clean Tech Opportunity Today

February 26, 2009


Presentation by Susan Preston, General Partner





Investment Trends

- ⑩ **US Venture Capital:**
 - Overall decline in 2008 to \$28.3 B (↓ 8% for year; ↓ 26% in Q4)
- ⑩ **Cleantech bucks the trend:**
 - **52% growth to \$4.1B in 277 deals**
 - **Seven of the 10 largest deals**
 - Broadly defined: alternative energy, pollution control, recycling, power supplies and conservation
- ⑩ **Energy is \$6 trillion market worldwide – the largest**



US Economic Stimulus Package

- ⑩ **Funding “shovel-ready” projects to create 3.5M jobs**
- ⑩ **Clean energy plan calls for:**
 - Five million new jobs through \$150B invested in clean energy over ten years
 - One million plug-in hybrids on the road by 2015
 - Doubling use of renewable resources within three years
 - Ten percent of electricity from renewable resources by 2012 and 25% by 2025
 - Implementing a national-wide carbon cap & trade to reduce GHG by 80% by 2050

Stimulus Package Winners

⑩ Renewable Energy: \$24.7B in grants

- For research, energy efficiency, weatherization aid, advanced batteries, electric vehicles programs, smart grid, clean coal and carbon sequestration
- DOE Office of Science: \$1.6B research in climate change, biofuels and other areas
- Grants up to 30% of building renewable energy facilities

⑩ Energy efficiency programs:


- Federally-supported housing: \$6.3B
- Federal buildings: \$4.5B



Stimulus Package Winners

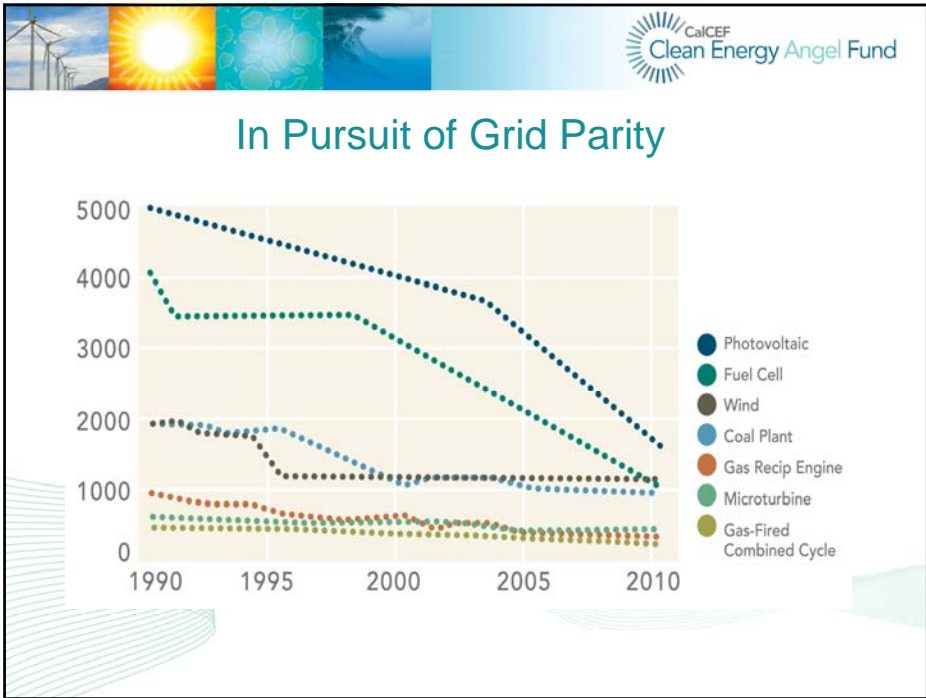
⑩ Tax credits/incentives: \$20B and up to \$80B in loan guarantees: for renewables and energy efficiency


- Wind: PTC extension for three years (\$13B)
- PTC will also benefit: biomass, geothermal, hydropower, landfill gas, waste-to-energy and marine energy
- Loan guarantees large potential winner in thawing credit freeze
- Likely to produce major boon to manufacturers and associated businesses



Stimulus Package Winners

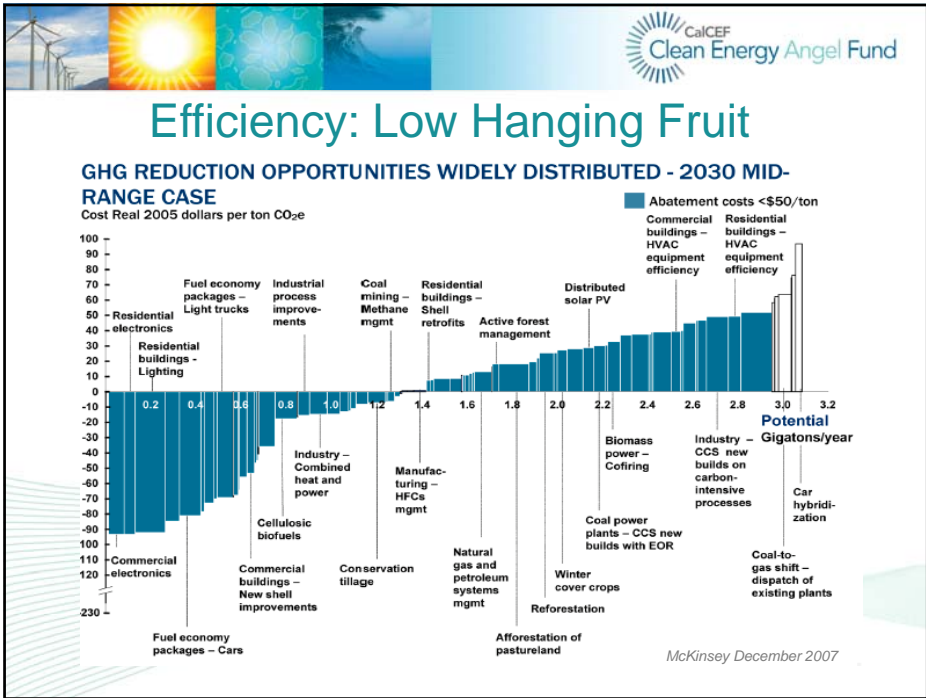
- ⑩ **Smart Grid (\$11B)**
 - Federal matching grants up to 50% from 20%
 - Major regional and state initiatives
 - Incentives for new transmission lines
 - Goal: Improve efficiency, reliability and safety
 - Save \$50 to \$100 Billion in next 20 years
- ⑩ **Broad definition:**
 - Digital upgrade of distribution and transmission
 - Alternative energy major component
 - Advanced sensors/meters
 - Storage for time shifting; distributed energy
 - Energy management

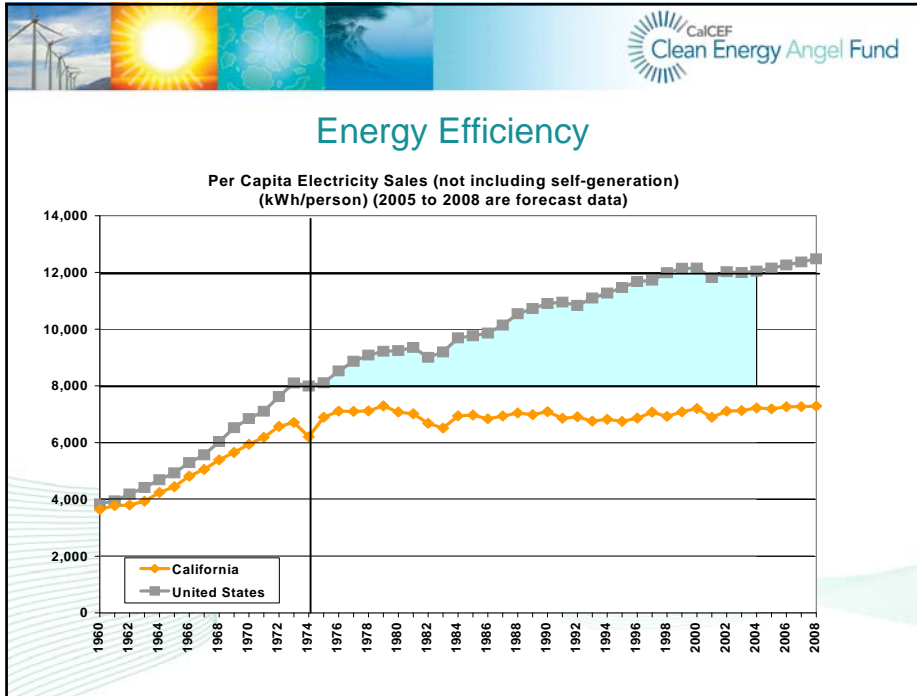




US Energy Prices by Technology

- ⑩ Coal: \$0.04 per KWh
- ⑩ Natural Gas: \$0.04 to \$0.05 per KWh
- ⑩ Renewable Energy:
 - Wind: \$0.06 to \$0.08 per kWh (transmission)
 - Geothermal: \$0.03 to \$0.35 per kWh (location)
 - Biomass: \$0.07 to \$0.09 per kWh (sourcing)
 - Solar: \$0.30 to \$0.40 per kWh (PV)
- ⑩ Nuclear: \$0.11 to \$0.15 per kWh





Summary

- ⑩ Strong investment market for clean energy
- ⑩ Immediate and long-term support in Stimulus Package
- ⑩ About grid parity for renewables
- ⑩ No silver bullet
- ⑩ Energy efficiency is low hanging fruit