



After Years of Clean Tech Cheerleading, Ira Ehrenpreis Has Reason to Shout

Posted on: July 2nd, 2010

Connie Loizos



Ira Ehrenpreis has waited a long time for his first win in the high-risk business of clean tech, and this week, it's looking like he has it.

After leading an investment in electric car maker Tesla Motors for Technology Ventures, Ehrenpreis has seen its pre-IPO stake of 3.51 percent transformed into \$57.2 million, as of this writing. If the stock, which has been hovering at around \$20 over the last two days, holds up over investors' six-month-long lock-up period, his firm, which participated in the company's \$45 million Series D round, will likely see numerous times its investment returned.

While Tesla is as much a luxury brand as a clean tech play — and one on which investors might ultimately sour, given its speculative nature — the deal certainly offers some vindication for a strategy that Ehrenpreis has been pushing far longer than most clean tech investors in the industry today.

When more than a decade ago, President Bill Clinton was proposing tax incentives and investments to spur clean energy technology, Ehrenpreis was paying close attention. And despite the industry events whose clean tech panelists outnumbered the attendees watching them speak, Ehrenpreis was lobbying hard for Technology Partners to do the same.

He got his way, too. In 2000, when Technology Partners closed its seventh, \$245 million, fund, it did so with an eye toward including clean tech companies. Indeed, its portfolio includes the 10-year-old rechargeable battery company PowerGenix Systems, the 7-year-old biodiesel companies Seattle Biodiesel and Imperium Renewables, and the clean coal companies CoalTek and Accelergy, which were founded in 2004 and 2003, respectively.

By the time Technology Partners was closing its eighth, \$300 million fund, in 2007, its mandate had evolved to invest equally in clean tech and life sciences companies. Since then, it has backed Tesla; APX, a Santa Clara, Calif. software-as-a-service company that

caters to the environmental and power industries; Abound Solar, a Colorado company that produces thin-film photovoltaic (PV) modules; and the Fremont, Calif.-based energy storage device maker Deeya Energy.

Most of those companies are highly capital intensive. PowerGenix and CoalTek have raised at least \$60 million; Abound Solar has raised \$155 million; and Imperium Renewables has raised \$113 million, which includes money that Technology Partners looks unlikely to see again. After opening what Imperium claimed was the largest biodiesel facility in the U.S., the company — which once filed, then revoked, an IPO registration — has run into numerous obstacles, including losing a cruise line as potentially huge customer. Today, its plant is closed and its tanks are being leased to store biodiesel made elsewhere.

Will Tesla make up for those investments by Technology Partners? It's too early to know, of course. It's also too early to know if it will need to.

Either way, one senses that Ehrenpreis, who considers that we're in an "unprecedented time" for the cleantech industry, has even more faith in what he's doing — and that he's not about to change course now.