

Ira Ehrenpreis on the State of the Cleantech Industry

The annual gathering of the cleantech cognoscenti

PALM SPRINGS, California --- Reporting from the Clean-Tech Investor Summit.

Ira Ehrenpreis is the cleantech partner at VC-investment firm **Technology Partners**. For the eighth year in a row, Ehrenpreis is serving as the Conference Chairman of the Clean-Tech Investor Summit today and tomorrow in Palm Springs, Ca. He has been investing in cleantech since long before it was called 'cleantech.'

When Ehrenpreis first started investing in cleantech, "cleantech was niche, not mainstream" and represented less than one percent of the venture capital asset class. Today, cleantech is one of the fastest-growing sectors in the venture capital business.

VC investment in U.S. cleantech companies hit \$4.9 billion in 2011, a drop of 4.5 percent in terms of capital invested compared to 2010, according to an Ernst & Young study based on info from Dow Jones VentureSource. This still represents a 29 percent increase from the \$3.8 billion raised in 2009.

"VCs would show the door to an entrepreneur without a long-term business plan," said Ehrenpreis, bemoaning the state of U.S. energy policy and its lack of a long-term plan.

"We're fighting to provide energy for the 1.3 billion people who lack access to electricity," added Ehrenpreis as he spoke about the \$1 trillion global energy market, adding, "We're fighting for cheap, clean energy for our children without destroying the environment."

Ehrenpreis' main point in his kick-off speech was that "innovation is going to be the catalyst that changes the trajectory of the cleantech sector."

With regards to cleantech deployment, Ehrenpreis said, "While I've never been more bearish on U.S. cleantech, I've never been more bullish about global cleantech." He noted that R&D investment in energy is 0.3 percent of sales compared to software and pharma at more than 10 percent of sales.

Ehrenpreis addressed the misinformation in the media that the story of solar is not the story of Solyndra, but rather the 64 gigawatts of solar deployed cumulatively across the globe and the price of solar falling from \$25 per watt to \$1 per watt. He noted that the high-profile failures at Solyndra and Evergreen are just part of the Darwinian struggle in the cleantech business.

He acknowledged that there are challenges but reminded the crowd that the past 8 years have seen the emergence of the smart grid, new materials, new sources of energy, and new electric vehicles.

And Ehrenpreis pointed to the lesson that Steve Jobs could teach the cleantech sector -- Jobs' maniacal focus on innovation -- whether it be the iPhone or the iPad or the iPod. Ehrenpreis sees the cleantech sector as waiting for a revolutionary like Jobs to change the industry.

Ehrenpreis closed his speech with this thought: "To all the cleantech entrepreneurs around the world, come with us and help change the world of energy -- and the world we're leaving to our children and grandchildren."

Ehrenpreis is on the boards of Accelergy, CoalTek, Deeya, FloDesign, PowerGenix, Solixel, and Tesla. He is also an investor in Alta Devices and Abound Solar.