

Excerpt from Red Herring, July 26, 2006

<http://www.redherring.com/Article.aspx?a=17717&hed=CalCEF+Invests+in+10+Startups&sector=Capital&subsector=VentureCapital>

## **CalCEF Invests in 10 Startups**

***Clean-energy startups embody a wide range and signify more money to come.***

The California Clean Energy Fund gave a glimpse of its investment portfolio on Tuesday, showing CalCEF has backed 10 clean-energy startups in five categories over the last year.

....

'I think what we're now seeing is money flowing back into clean energy.'

-Robert Wilder,  
WilderShares

- ...

Robert Wilder, chief executive of WilderShares, which manages two clean-energy funds, said the investments are a signal that money is continuing to flow into the clean-energy sector.

"Compared to the end of 2005 and the very early part of 2006, when there were sizable inflows into clean-energy startup companies, we're seeing something of a pullback in clean-energy investing in the last few months," he said. "I think what we're now seeing is money flowing back into clean energy."

## **Supply Constraints**

The London-based research firm New Energy Finance, for instance, said earlier this month that investments in renewable energy and low-carbon technologies totaled \$19.3 billion in the first half of the year, down 1.5 percent from \$19.6 billion in the last half of 2005—but up 12 percent from the first half of last year.

Michael Liebreich, chief executive of New Energy Finance, said much of that was due to supply issues that were limiting growth (see *Cleantech Private Equity Slows*).

But while there are supply constraints, the demand is still growing strong, said Mr. Wilder.

"Some people have seen the supply-side issues as a reason to be a bit negative, but the demand is really there," he said. "There has not

been a letup in demand for clean energy. Everybody was shocked by \$70-a-barrel oil, but following the huge run-up in late 2005 and early 2006, it's hard to keep up that level of investment.

The CalCEF summary shows there are many worthy and good ideas in clean energy, he said, adding that for each of those companies, the CalCEF money can be significant.

"When you're a small startup, a slug of investment allows them to hire more people, do more things, and get past the growing pains," said Mr. Liebreich. "Certainly, these investments help.

....