The Future is NOW

October 1, 2015
Thoughts for Today

Sign of the Times
Leading Indicators
There are Successes
Addressing the Early Stage
“You CAN Get There from Here!”
Why Are We Here

2009 MIT Study: 95% chance that “Business-as-usual” temperature increase will exceed 3.5°C (6.3°F) in 2095
Peabody – **Was** a Large Coal Company

$12.38/Share

Market Cap: $322M
EPS: $ -7.00/Share

$1.18/Share
Clean energy innovations are poised to disrupt markets and achieve extraordinary growth in the coming decades – but how long will it take?

10 years?
20 years?
30 years?

or...
Investment Thesis

NOW
“Leading Indicators” are Compelling

**Price of Renewables** (e.g. Solar Cells 1977-2015)

- Price history of silicon PV cells in US$ per watt
- Price drops from $76.00 to $0.30

**Adoption of Renewables** (e.g. Wind and PV (GW Installed))

- Long term trend demonstrates price declines and exponential growth globally
  - Majority of new generation capacity in US is from renewable sources (82% in 1Q 2013)
  - IEA projects renewables to exceed natural gas generation globally by 2016

**Adoption of Energy Efficiency** (e.g. energy efficient lighting)

- Energy efficiency is lowest cost and growing at an increasing rate

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The deployment trend creates a “pull” investment for new technology innovations across the entire supply chain and broadly across the market

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Sources:
- Bloomberg New Energy Finance, pv.energytrend.com, Solar Energy Industries Association (http://www.seia.org/research-resources/us-solar-market-insight-q1-2013);
$10 Billion Spent on Energy Efficiency through Utility Programs in 2014

Saving Energy Is Less Expensive Than Building New Capacity
Success Stores - Let’s Put Solyndra Behind Us!

- Fraud
- Government mismanagement
- Poor financial structure
- Weak technology
There are Extraordinary Success Stories
Strategics are “Seriously Involved”

- Large companies are participating in this space
  - Investment in promising technologies
  - Partners on development projects
  - Financing growth plans
  - Opening up new markets
  - Acquiring companies
21 CEVG Active Investments
CEVG Metrics

$500M+ of financing to our portfolio companies

1 Million Tons of Carbon Avoided

1,000+ Employees in our Portfolio Companies

50+ Institutional Co-investors

Note: as of Sep, 2015.
MyEnergy Investment Case Study

- Investment in MyEnergy
  - Helped bring company to Boston
  - Board role
  - Advised young team on strategy to develop the business

- Initial valuation was attractive
  - No additional capital was needed
  - Nest acquired two years later
  - Upon sale of Nest to Google three years after investment, valuation increased substantially

- Attractive cash-on-cash return

- MyEnergy was the consumer interface and energy efficiency data and analytics part of the sale
Capital Gap: Lots of Ideas but Not Enough Funding

- We are seeing new clean energy companies at an increasing rate
  - Patent filings are growing rapidly

- But, capital for new clean energy technology start-ups is falling
  - Pull back from venture community having previously over-focused on capital intensive and commodity plays without sustainable margins

Source: Cleantech Group- Heslin Rothenberg Farley & Mesiti P.C., April, 2015
Source: PwC/NVCA MoneyTree™ Report based on data from Thomson Reuters
# Clean Energy Venture Fund

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Growing the Local & Regional Opportunity

- Leverage Maine and the Region’s Resources
- Create Ecosystem – people coming together, having fun, solving problems
- Involve Big Companies - utilities, energy, indigenous firms in our communities
- Financing is Needed to Support Entrepreneurs
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