Maine and the Northeast’s Cleantech Cluster

Accelerating the Clean Energy Economy
The Great Convener

NECEC coordinates, connects and strengthens multiple stakeholder networks – we are the only group in the Northeast doing this on a region wide basis, across varying industry segments and business growth stages.
Strategic Alliance

Regional business association representing investors and clean energy companies throughout New England and supporting entrepreneurs throughout Northeast.

Northeast Division of the world’s oldest and largest cleantech start-up accelerator program, providing mentorship and entrepreneurship through annual competition.

Massachusetts Clean Energy Center

New York State of Opportunity – NYSERDA

Wells Fargo

Commerce RI

National Grid

Clean Tech Navigate Northeast

Clean Tech Open Northeast
Maine’s Cleantech Cluster

New England’s Cleantech Innovation Landscape
A Snapshot of a Growing Cluster

The Clean Technology Sector in Maine 2013
19 Maine cleantech companies 
(8% of total online database companies)
Entrepreneur Needs Survey

138 Respondents

- Boston Metro (n=47)
- NY Metro (n=28)
- Upstate NY (n=20)
- Portland, ME Metro (n=14)
- Upstate ME (n=5)
- Hartford/Springfield/New Haven, CT Metro (n=8)
- Providence, RI Metro (n=7)
- Barre, VT (n=3)
- Philadelphia Metro (n=1)
- Johnstown, PA Metro (n=1)

- Beyond Northeast (n=4)
Findings

- ME companies are hiring or planning to hire in the next 6-12 months. **Most prominent attribute of a good candidate was related to character rather than skillset.**

- ME companies listed **government grants** as some of the most valuable programs to help them commercialize their technologies. **Mentorship and general relationship development and networking** were also frequently cited as valuable resources.

- ME companies face similar challenges as other northeast cleantech companies, namely: **Funding & Customer Acquisition**
Thank you

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Senior Innovation & Entrepreneurship Program Manager
NECEC
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Back up Slides
Across 9 High Level Sectors

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<td>32%</td>
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<td>26%</td>
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<td>5%</td>
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<td>11%</td>
<td>12%</td>
<td>21%</td>
<td>6%</td>
<td>8%</td>
<td>27%</td>
<td>6%</td>
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% Companies Responding per Sector
For Maine, Navigate means...

- Bring together Maine’s key stakeholders around its strengths and needs
- Give homegrown entrepreneurs streamlined access to a diverse network of regional resources. More of what they need: funders, partners, customers and talent
- Showcase local assets to the regional cleantech innovation & entrepreneurship community – demonstrate the leadership of the state
- Share best practices with leading cleantech entrepreneur organizations from across the region
Workforce

Generally looking for candidates with engineering or software development experience.

Other expertise sought included business, marketing, and sales experience, energy industry specific expertise, and data and analytics experience.

*Most prominent attribute of a good candidate was related to character rather than skillset.*
Anticipated Fundraising

2015 Fundraising

Other Sources included:
- Grants
- Crowdfunding

# of ME Companies Raising Funding Types in 2015

Findings: Maine
Fundraising by Technology Readiness Level (TRL)

2015 Fundraising by TRLs

7 Average TRL of ME companies fundraising

Findings: Maine
Challenges

Findings: Maine
Funding Challenges

Average Difficulting Rating of Identifying, Accessing, and Securing Funding Obstacles

- Pitching and presenting to potential investors: 2.55
- Navigating the legal process of fundraising: 2.85
- Identifying funding sources/types: 2.86
- Getting “warm”/valuable introductions to potential investors: 3.00
- Identifying the bestfit funding sources for your company: 3.17
- Structuring deals with multiple investors: 3.28
- Securing investments (closing the deal): 3.81

Maine Averages

Findings: Maine
Customer Acquisition Challenges

Findings: Maine
ME companies listed **government grants** as some of the most valuable programs to help them commercialize their technologies. **Mentorship** and **general relationship development and networking** were also frequently cited as valuable resources.
Valuable Government Programs

MTI Grant opportunities and programs
Federal Grants
Incentives
Standards/codes
Advocacy

Findings: Maine
Suggested New Govt Programs (*no weighting/prioritizing*)

- **Funding**
  - Green energy funding
  - Private/public matching grants
  - Funding matching services
  - More high risk technology based grant opportunities
  - Gov. backed loan programs
  - Grants toward infrastructure like pellet depot and delivery trucks

- **Programs**
  - Maine Sustainable Jobs Fund
  - Expansion of Efficiency Maine rebate program to include more technology types

- **Policies**
  - Renewable energy industry incentives to better leverage private capital to improve energy infrastructure and create electricity savings and cleaner energy generation
  - Investment Tax Credit beyond 2016
  - Export-Import financing programs to promote export of renewable energy product
  - Increase RPS

Findings: Maine
High Level Goals

Connect
- Funding
- Corporate Partners
- Customers
- Talent

Learn
- Mentorship
- Workshops
- Peers

Be Seen
- Showcases
- Web Platform

Win
- Competition

NE Cleantech Entrepreneurs

Venture Support Orgs
Offerings Across Development Stages

Commercialization Toolkit

Cleantech Navigate NE

Cleantech Open NE

NECEC Policy Membership

University Competitions

Other Accelerators

Physical Space Incubators

Proof of Concept Centers

Concept

Prototype

Commercial Pilot

Early Deployment

Scale Up

Company Development Stage
Cleantech Open Northeast Accelerator Program

Annual 5-month accelerator for early stage entrepreneurs. Includes:

- **Academy** (entrepreneurship boot-camp)
- **Matched Mentorship**
- **Mentoring Clinics** (speakers, 1:1, and peer coaching sessions)
- **Networking** meet-ups for teams & mentors
- **Pitch feedback sessions**
- **Regional Innovation Expo & Awards Ceremony**
- **Global Forum in Silicon Valley**
Cleantech Navigate NE
A Powerful and Connected Year-Round Regional Resource Network of Entrepreneurs & Supporters

Mechanisms
- Events
- Connector Service
- Digital Platform

Entrepreneur
- Connectors, Mentors & Experts
- Talent
- Tech Dev. + Manufacture
- Customers
- Corporate Strategic Partners
- Investors + Funding
- Service Providers
- Government Programs

[Diagram showing the connections between different mechanisms and the entrepreneur]
Navigate Explorer

http://navigate.necece.org
NECEC Strategic Partner Network Formed in 2014

Current SPN Members:

- National Grid
- Eversource
- GE
- Schneider Electric
- Veolia
- Saint-Gobain
- Shell

• SPN formed as exclusive network of leading global corporations expanding their energy innovation strategies
• SPN aims to:
  ▪ Leverage Northeast major markets & cleantech cluster
  ▪ Create valuable partnering, innovation, investment, scale-up opportunities
  ▪ Leverage NECEC’s role as convener, value-added industry accelerator
• Focused on three market development working groups:
  ▪ Advanced Materials & Manufacturing
  ▪ Smart Buildings & Cities
  ▪ Electricity System Innovations
Direct Connections

- Channel Partners (Connectors for Entrepreneurs): Act as on-ramps for entrepreneurs to the network & facilitate connections to resources.
- Incubator & Accelerator Partners
- Government Agencies
- NECEC Members
- Individual Entrepreneurs
- Cleantech Open NE

Events, Connector Service, and Digital Platform Facilitate Connections

Navigate Resource Communities – Built through Connectors for Resources & Working Groups

- Mentors & Experts
- Talent
- Gov. Programs
- Business Services
- Early Adopters
- Investors & Financiers
- Corporate Partners
- Tech Dev & Mfg
Highlighted Accomplishments

- **358 Investor-Corporate Connections** at 2 Events
- **Pilot of Request for Mentoring** with 31 matches
- **128 direct connections** for community stakeholders through connector service
Highlights Year 1
Example Connections

- **HEVO** - Six Figure Investment <90 days after Investor-Corporate Connect
- **Third Power** - Access to Maine Pilot Sites
- **EnergySage** - Hired a talent referral from the Navigate Network
- **PowerBridge NY** - Mentor Referral & Match
The Three Teams

**Funding Access** (formerly called Investment Readiness)
- Assess early-stage companies, for funding stage and fit, who are currently or soon-to-be fundraising and interested in direct introductions
- Provide feedback to company and Navigate on the company’s “readiness” to be introduced.

**Community Growth**
- Strengthen relationships across cleantech investing community
- Gather knowledge about community’s areas of interest
- Engage and educate non-traditional funding sources to participate in community
- Connect companies with funding sources when appropriate

**Fundraising Mentoring**
- Provide guidance to prepare companies for investment readiness
- Gives later stage investors a chance to get to know companies earlier
- Mentor matches based on mentor’s expertise in the company’s market and customer.
**Connected Process**

- **Company asks to be connected to Capital**
- **Assess readiness/fit for certain funding types**
- **Connect company to a capital source**

**Funding Access Team:**
Assess whether a company is a good fit to talk to one of the funders in our community.

**Provide feedback, mentorship → improve**

**Mentoring Team:**
If a company is **not ready** for connections to funders, match them with a founder or later stage investor mentor.

**Community Growth Team:**
Increase the number and types of funders in our network through relationship development and education/evangelizing.

Leveraging the relationships we’ve built with the network and the intel we’ve gathered on their interests, make appropriate connections to possible funding sources.
Most Challenging Obstacles

Top challenges (respondents could select two)

- Identifying, Accessing and Securing funding: 78
- Customer Identification and Acquisition: 50
- Product Development and Supply Chain Management: 43
- Communications and Marketing: 28
- Acquiring Talent for Hire: 10
- Business and Management (Includes Legal): 8

(necec)

Accelerating the Clean Energy Economy
We Share Similar Obstacles

<table>
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<tr>
<th>Rank of Most Challenging Obstacles</th>
<th>Identifying, Accessing &amp; Securing Funding</th>
<th>Customer Identification &amp; Acquisition</th>
<th>Product Development &amp; Supply Chain</th>
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<td>Boston-Cambridge</td>
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<td>New York City Metro</td>
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<td>2</td>
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</tr>
<tr>
<td>Upstate New York</td>
<td>3</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Hartford-Springfield-New Haven</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Portland, ME</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Providence, RI</td>
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Identifying, Accessing and Securing Funding

Company leaders report that while all aspects of fundraising are challenging, the most difficult aspects consist of “identifying and getting warm leads and introductions to the best-fit funding sources for their company”, “structuring deals with multiple investors,” as well as “closing the deal.”

1-Not Challenging 3-Challenging 5-Extremely Challenging
Funding Challenges and Product Development Stage

- Concept
- Prototype/Beta
- Commercial Pilot
- Early Deployment
- Scale Up

- Technology Valley of Death
- Commercialization Valley of Death
Company leaders report that the most difficult aspects of this challenge consist of developing and securing funding to meet customer demand, maintaining and scaling customer relationships, finding opportunities to pilot and demonstrate technology, and developing a successful sales strategy.
Customer Identification and Acquisition-opportunity

1. Buildings / Real Estate / Construction: 52
2. Utilities / Power Generators & Distributors: 43
3. Municipalities / Government: 36