

Driving Growth: Clean Energy Solutions to Fuel Your Business

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What Are We Hearing

"The two most significant threats to my company's growth are energy costs and shortage of water"

P. Brabeck-Letmathe, Chair & CEO, Nestle

"Greentech could be the largest economic opportunity of the 21st century"

*John Dorr, General Partner, Kleiner Perkins Caufield
Byers*

"Clean Technology is the second wave of industrial technology"

*Erik Straser,
General Partner
Mohr Davidow Ventures*

"Our Kids will only call us the Greatest Generation if we rise to our challenge and become the Greenest Generation"

Thomas Friedman



Clean Technology Market: Strong Growth Forecast

Revenues & Projected Revenues (\$B)

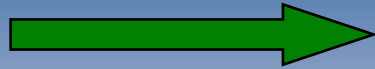


Source: Makower, Pernick and Wilder. *Clean Energy Trends 2007*. CleanEdge. March 2007



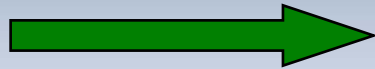
5 Key Clean Technology Drivers: Opportunities

1. Cost



- Fossil fuel prices increasing
- Cost of renewables decreasing

2. Regulation



- Energy security initiatives
- 20 states have carbon emission standards
- Proposed federal legislation

3. Customers



- It is on the CEO / Board Agenda
- Consumers willing to pay a premium for carbon reduced products

4. Innovation



- Corporate R&D – in house and through partnerships
- Entrepreneurial opportunities

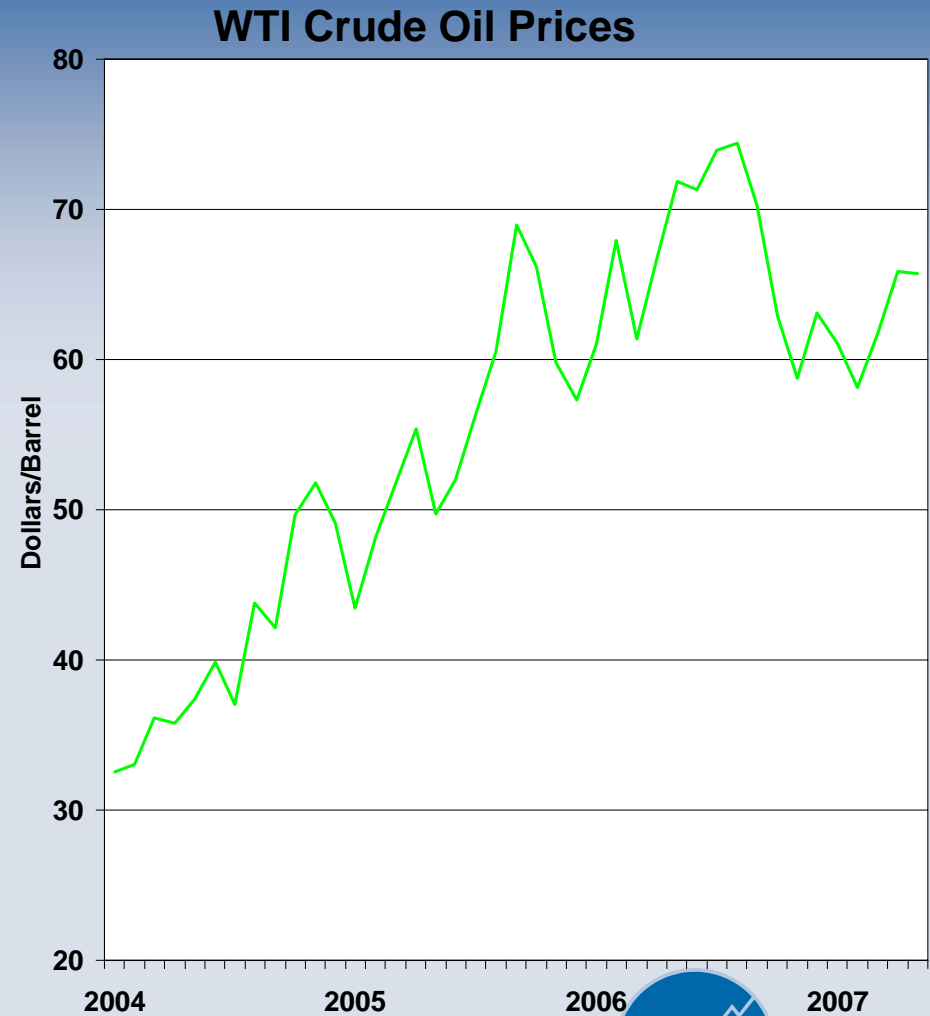
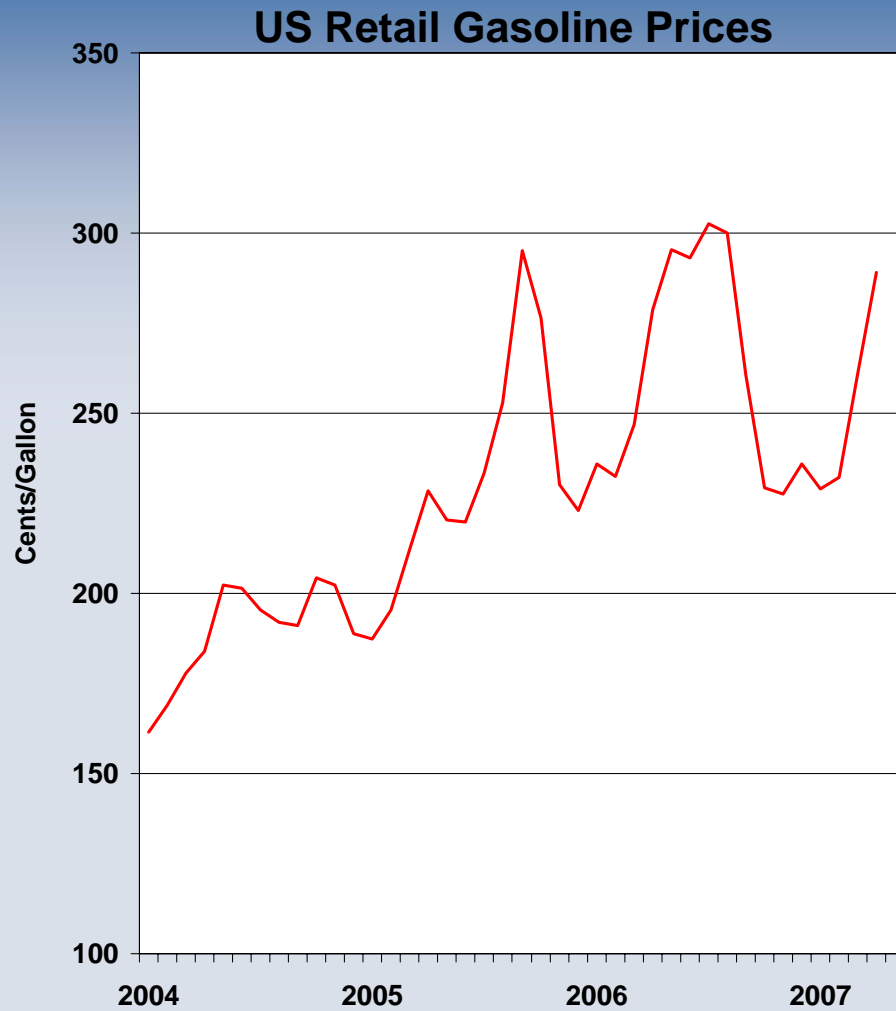
5. Capital



- Significant capital available
- Growing pool of investors

Cost: The Price of Fossil Fuels in the US

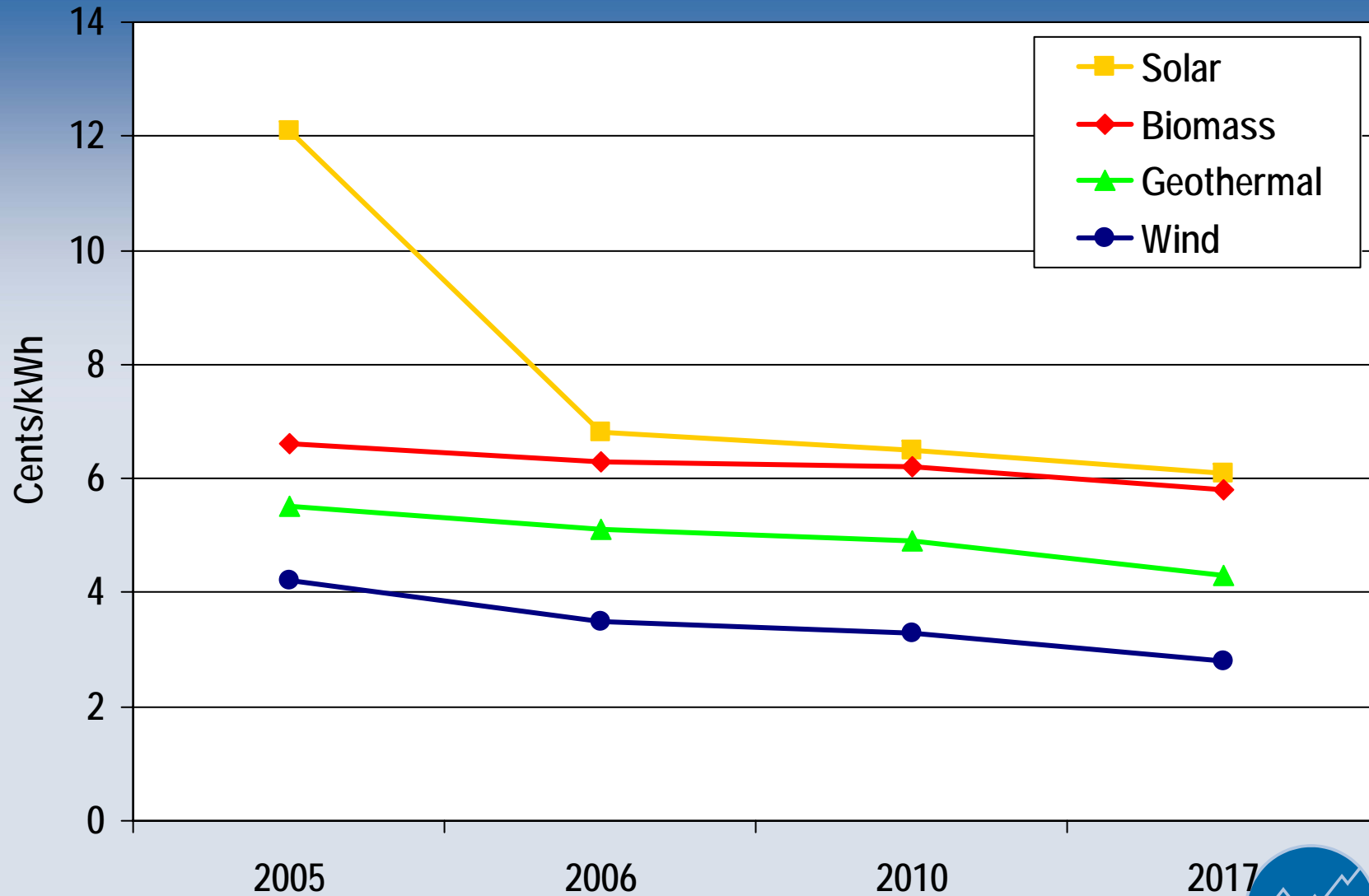
2004 to 2007 YTD



Source: U.S. Energy Information Administration & Bloomberg. Updated May 1, 2007



Cost: Renewables are Projected to Get Cheaper

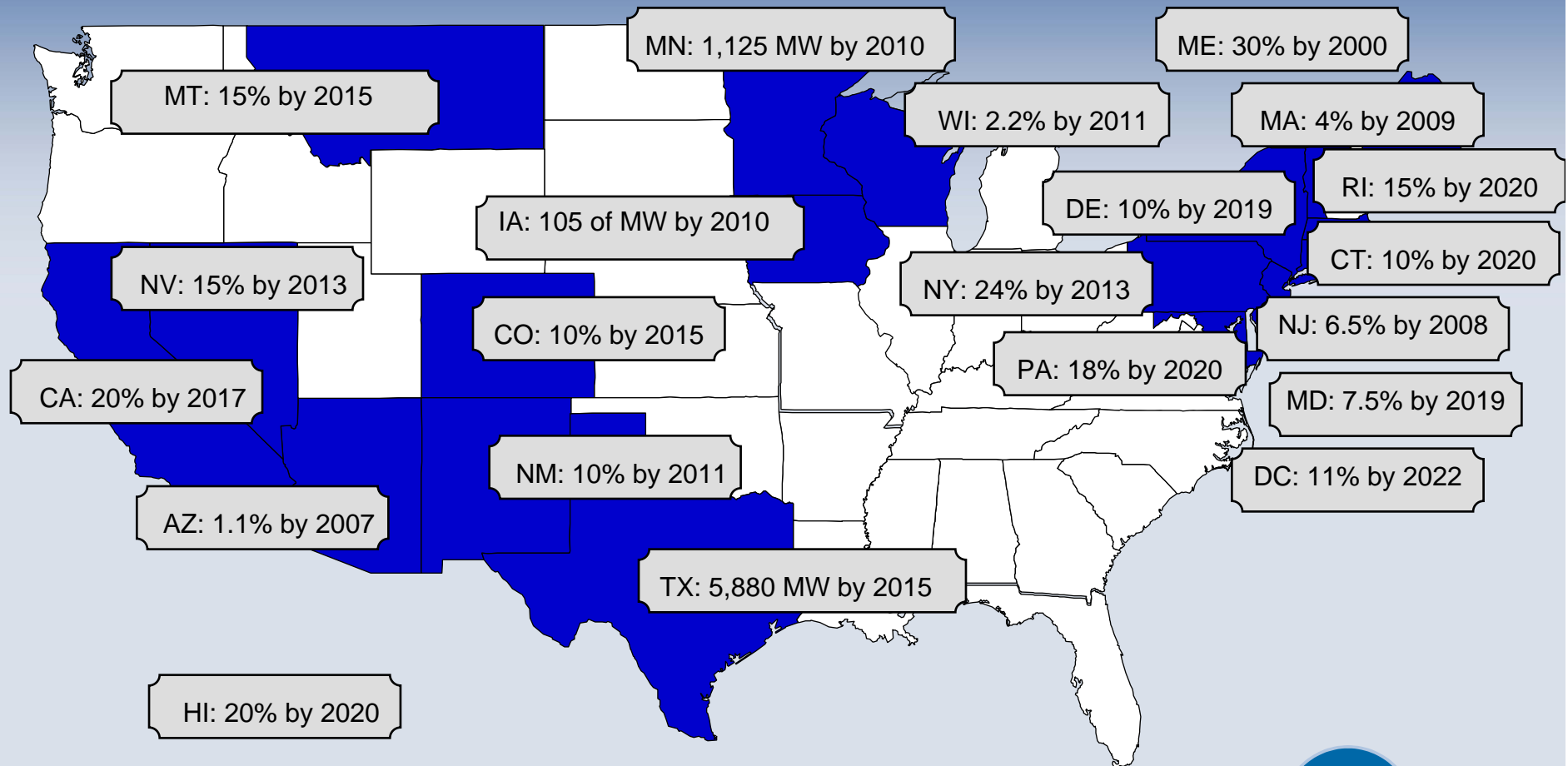


Source: California Energy Commission. Renewable Energy Program.



Regulations: Renewable Portfolio Standards

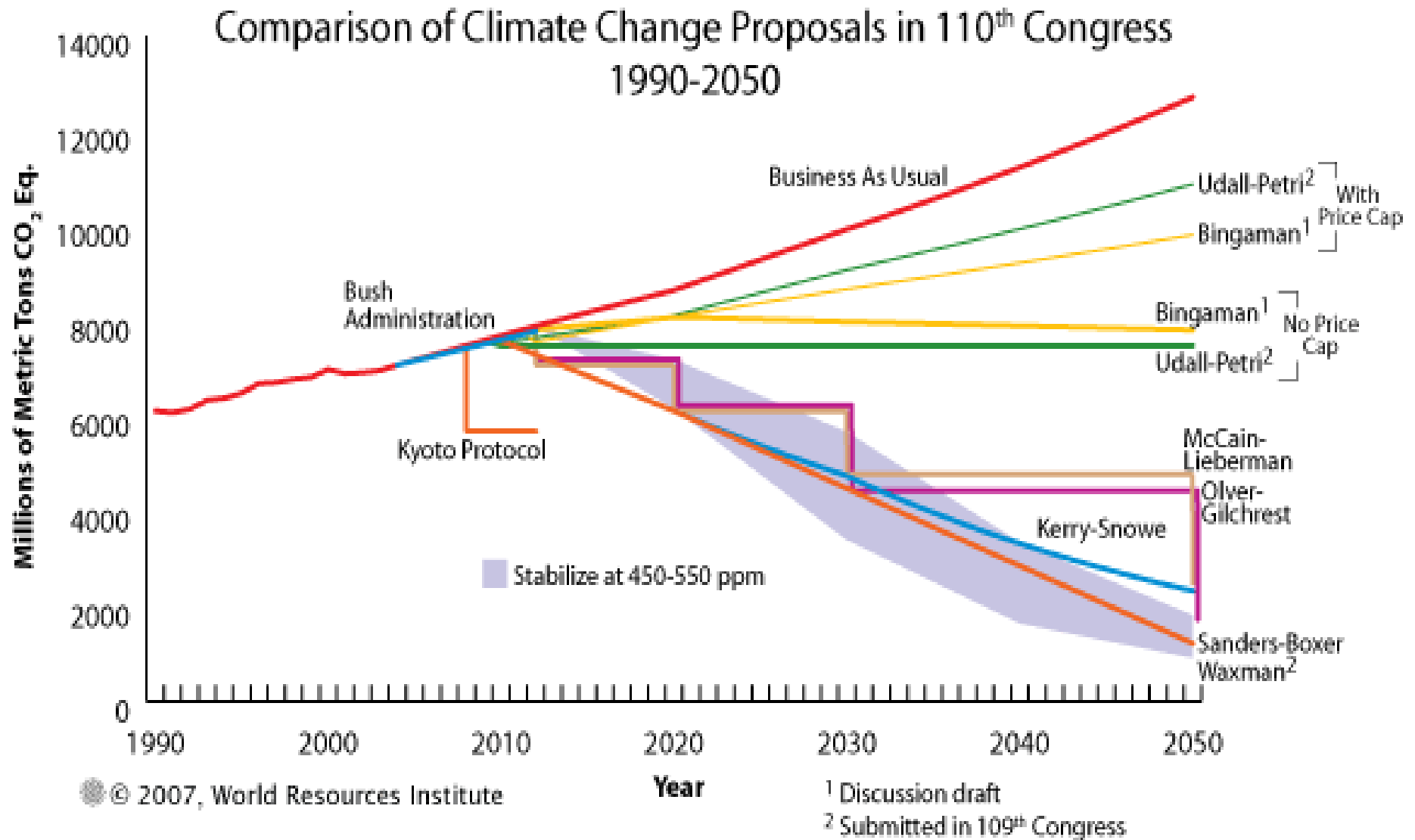
20 States and Washington DC Have Set Goals



Source: New York Academy Of Sciences. www.nyas.org

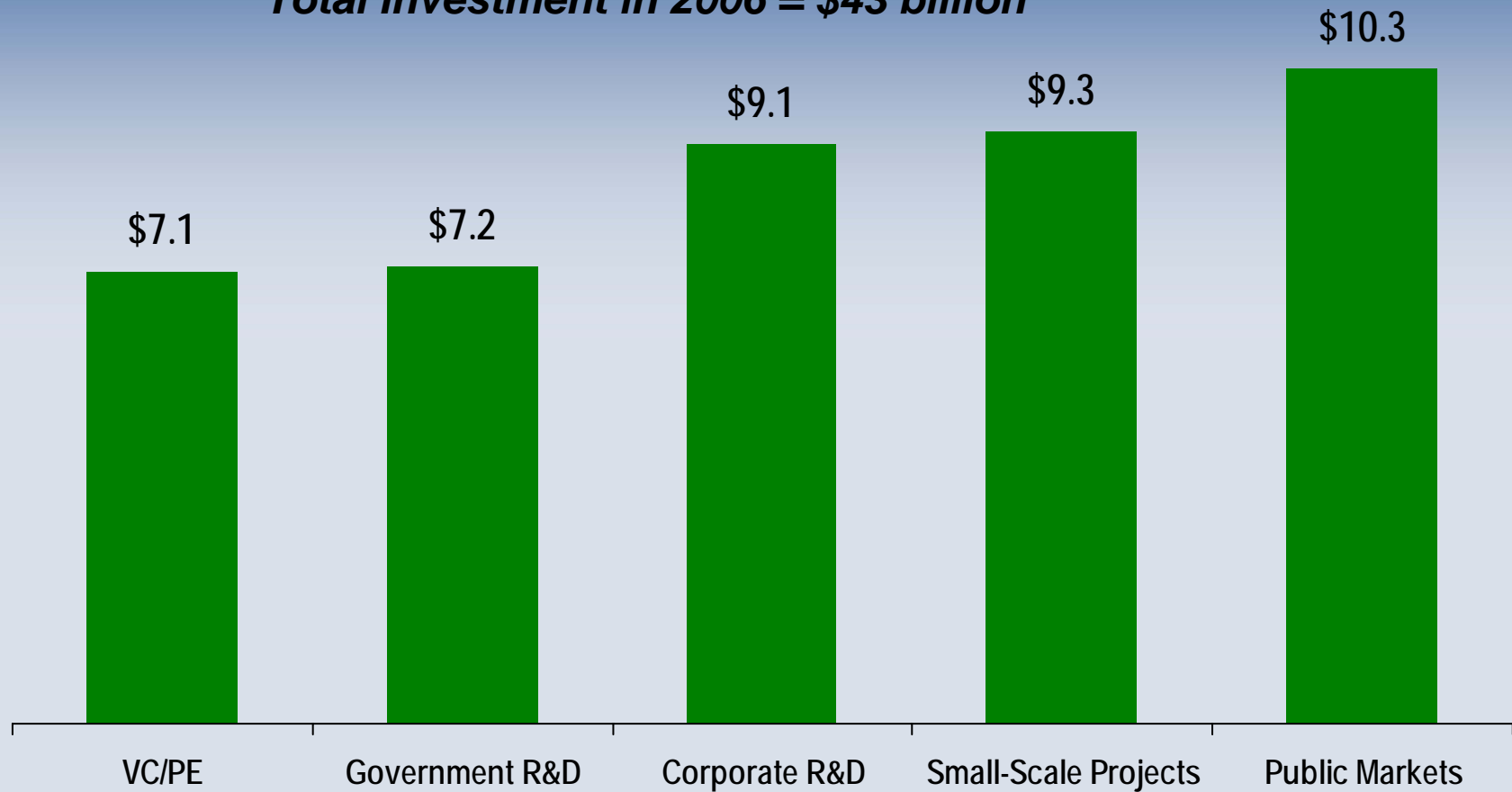


Regulation: Proposed Carbon Legislation



From Where is the Funding Originating?

Total Investment in 2006 = \$43 billion



Investment by type of transaction (\$B)

Source: New Energy Finance



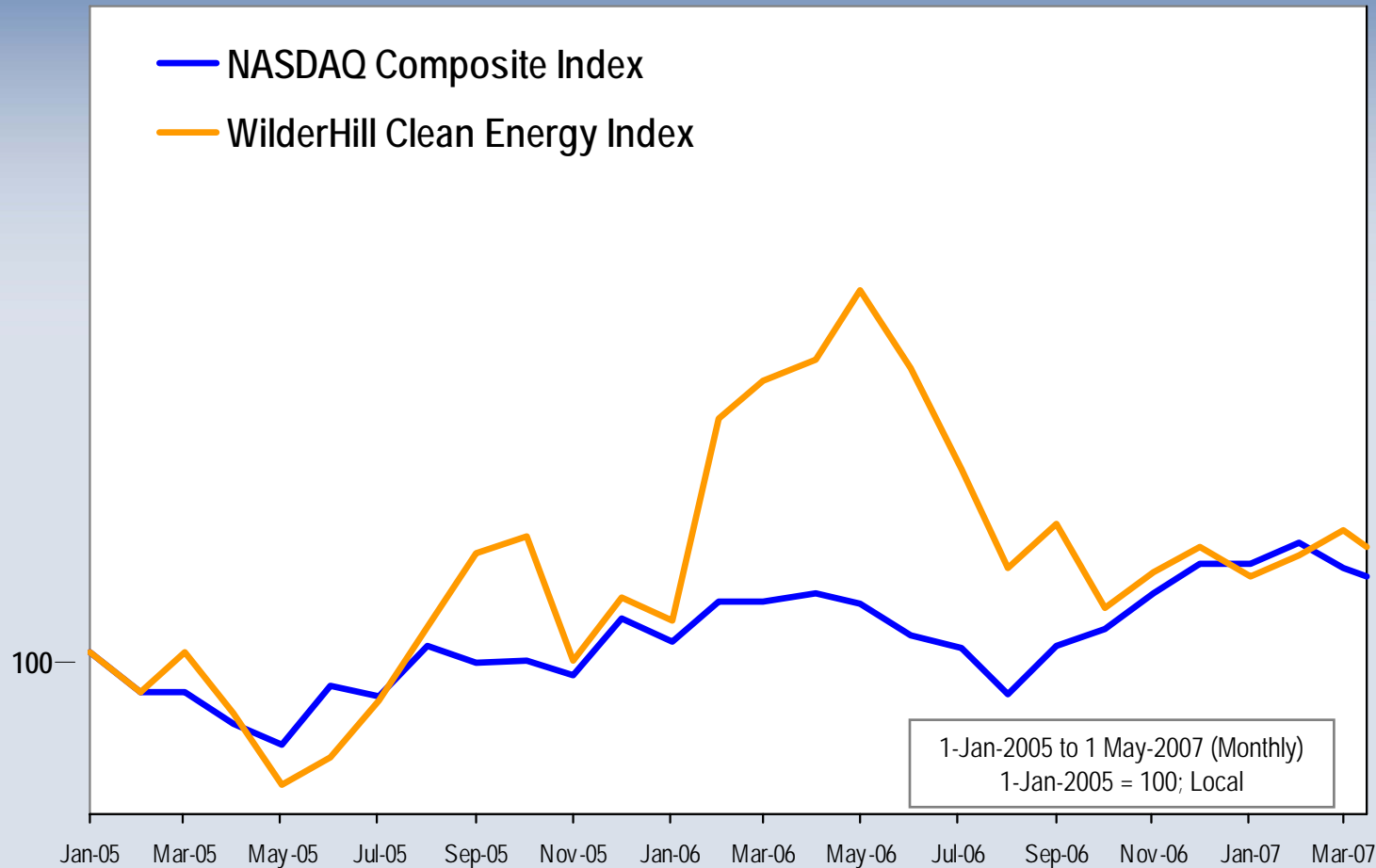
Corporations Accelerate Activity

- **BP** - \$500 million grant to UC Berkeley Labs
- **Chevron** – Invested in cellulosic biofuels & hydrogen research. Invested in Galveston Bay Biodiesel
- **DuPont** – Commitments to generate \$6 billion in additional revenue by 2015. Pledge to double their R&D investment programs.
- **Exxon Mobil** – Committed \$100 million over 10 years to Stanford University,
- **General Electric** – Ecomagination initiative plans to generate \$20 billion in annual revenues by 2010 from eco-efficient products and services
- **Virgin Fuels** -- \$3 billion committed to biofuel, solar and other investments
- **Wal-Mart** – Three year targets of being 100% powered by renewable energy, making stores 25% more energy efficient, and having a 25% reduction in waste



Capital: Market Performance

Energy 2005 – 2007 YTD



CAGR

NASDAQ Composite Index: 4.1%

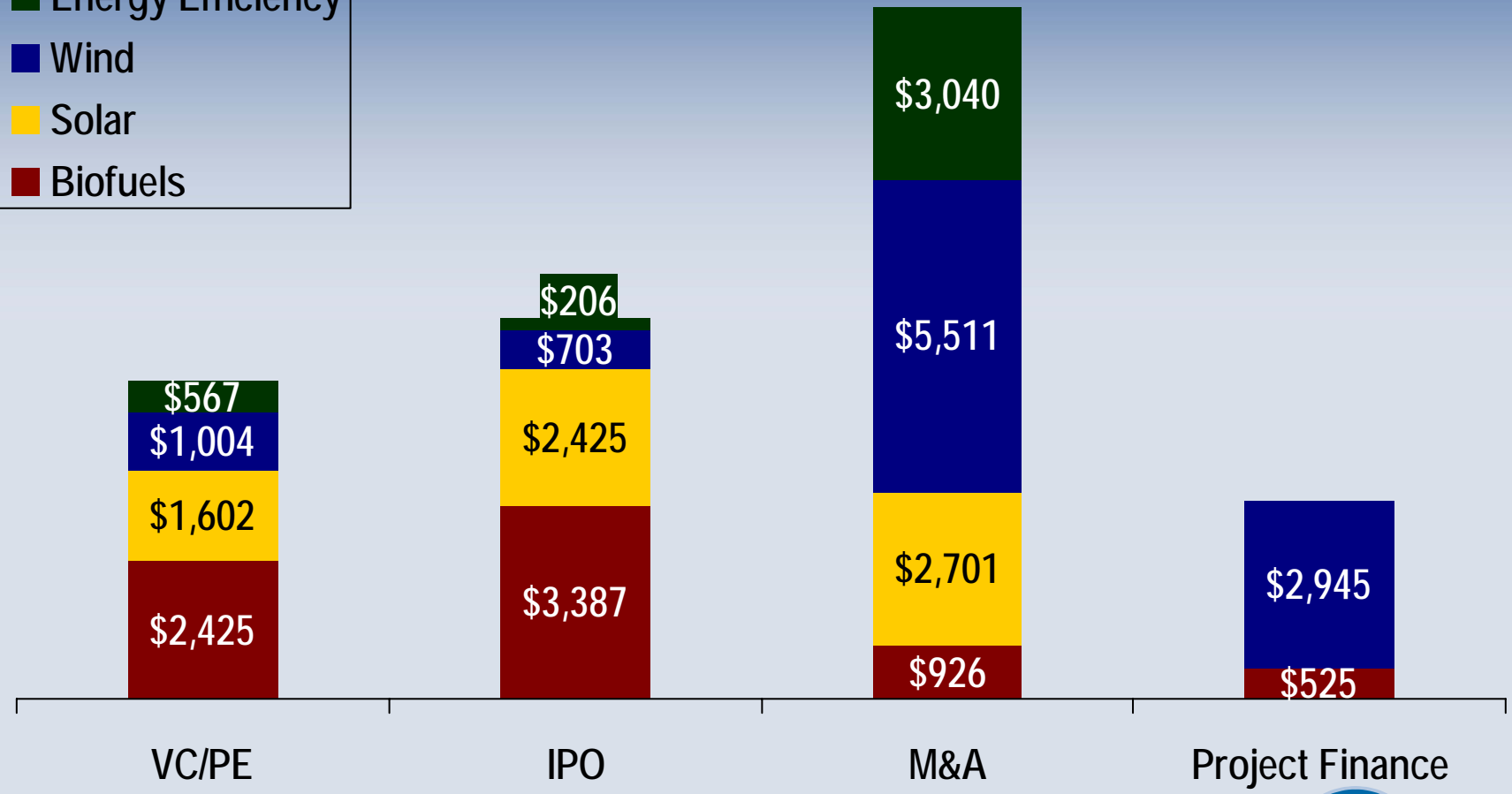
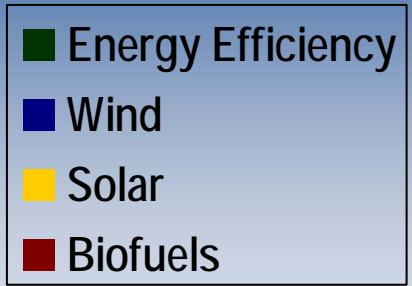
WilderHill Clean Energy Index: 5.8%

Updated May 1, 2007. Benchmarked to 1/1/05.



Capital: Global Activity by Sub-Sector

Aggregate 2006 – 2007 YTD (\$M)





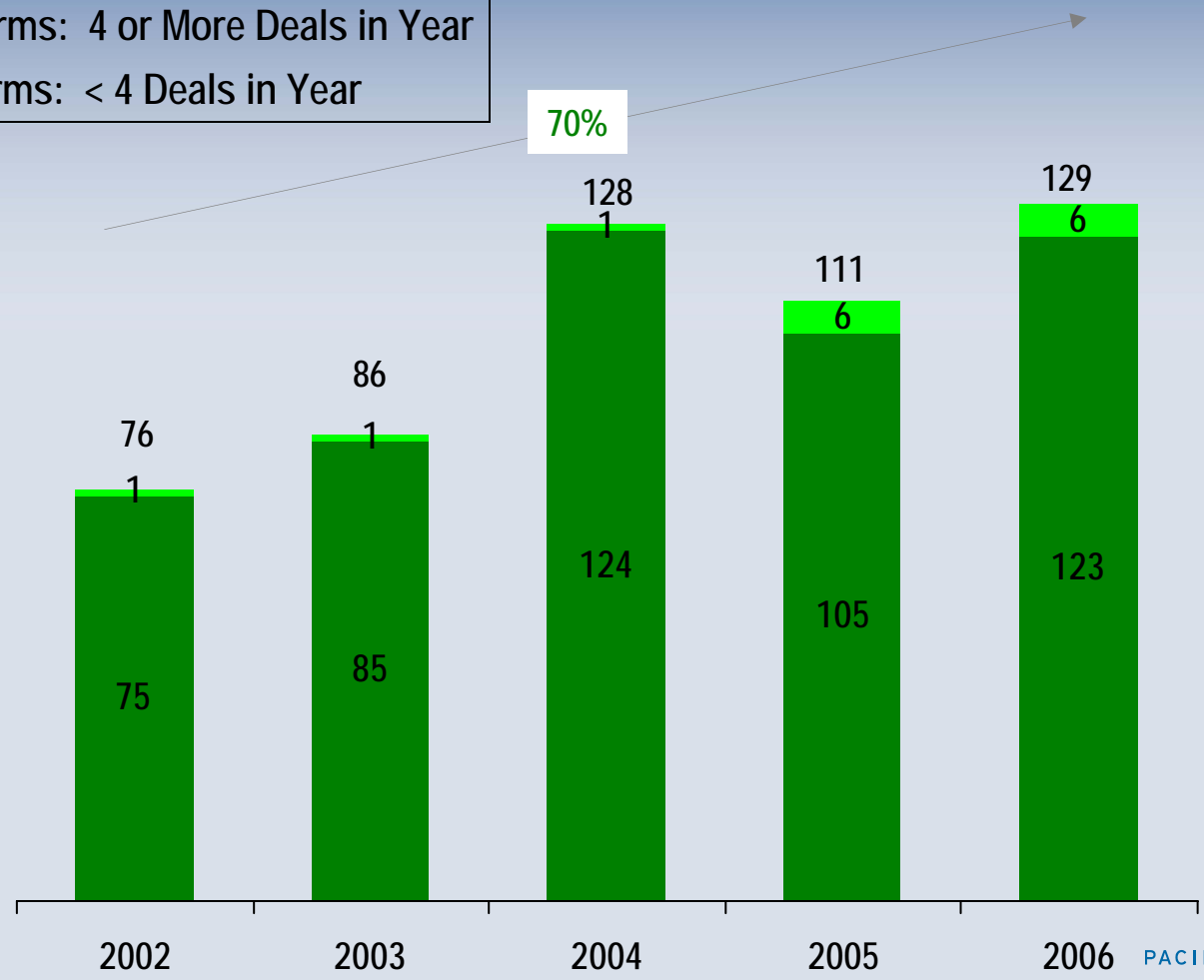
Source: New Energy Finance. May 2007.



Investors Taking Action:

Pool of US VC Firms Investing Clean Technologies is Increasing

 # Firms: 4 or More Deals in Year
 # Firms: < 4 Deals in Year



Source: Dow Jones VentureOne



5 Key Clean Technology Drivers: Questions

1. Cost



- How will adoption rates be affected by the volatility of fossil fuel prices?

2. Regulation



- What will be the impact of regulation and incentives?
- How can government accelerate innovation?

3. Customers



- What will cause consumers to “cross the chasm”?

4. Innovation



- What commercialization/partnering models will accelerate growth?
- N. America? China? India?

5. Capital



- How much capital is needed to reach commercialization
- Where will it come from?
- When will venture backed exits occur?

It's not luck that'll save the planet. It's leadership.



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It's not luck that makes leaders.

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