

Investing in Clean Energy

Why bother?

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From Bits to Barrels

- What is the most important problem facing the world over the next 10-20 years?
- Didn't we try this in the 80s?
- Isn't energy a capital deployment business?
- What can software teach barrel guys?
- Platform or version upgrade?

The big Energy picture

- We use fuel of all types for three things
 - Generate electricity (gas, hydro, coal, nuke)
 - Provide direct heat (gas, wood, oil)
 - Transportation (oil)
- US 4x largest consumer oil \$500B/yr.
- Petroleum crisis not Energy crisis
- WW supply/demand tight @ 84Mbpd.
- China and India only getting started.
- <1% of \$500B in VC spent on energy.

What do I look for?

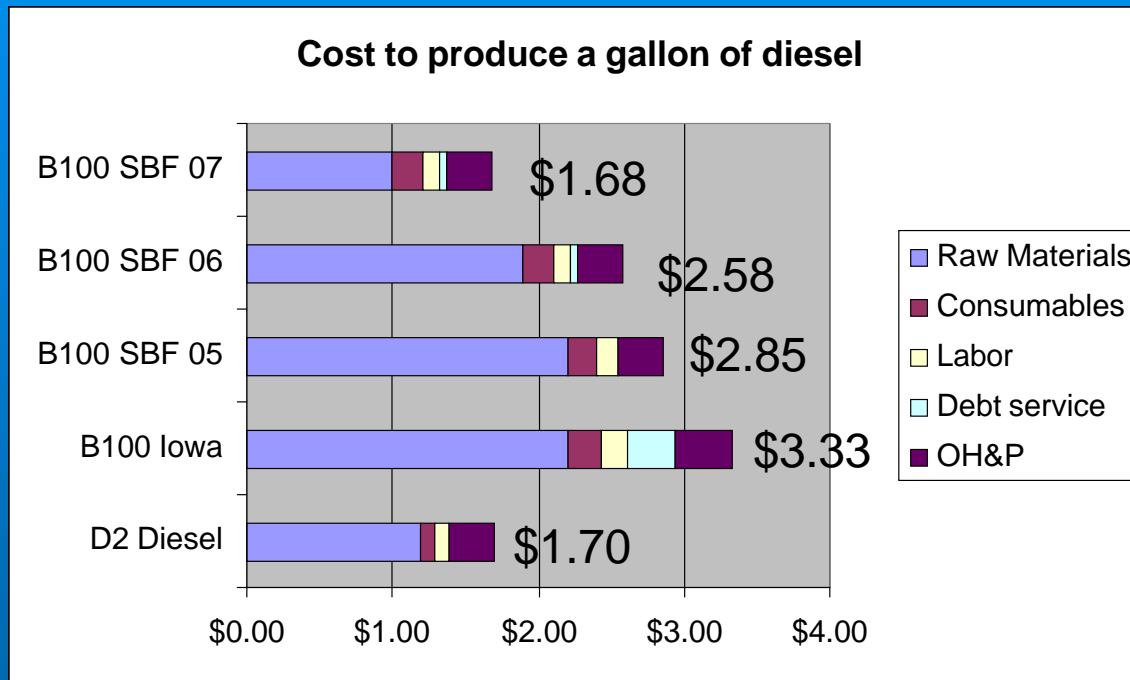
- HUGE market, not niche.
- Passionate committed founder
- Order of magnitude innovation driven change.
- Clear business model.
- Slow moving incumbents.

What is Biodiesel?

- Direct replacement for petroleum diesel
- Biodegradable and non-toxic
- CO₂ neutral (-78% than petrol diesel)
- Reduces CO -43%, Hydrocarbons -56%,
Particulates -55%, Air toxics -60% to -90%
- Made from vegetable oil/tallow/WVO/Algae
- Increased lubricity (more slippery)
- 60B gallons of diesel, 30M bio, 100% CAGR.

Goal:

Produce a gallon of biodiesel for less than the cost of a gallon of petroleum diesel by 2007 without subsidies.



- Capital efficient
- Low OpEx
- Modular/scalable
- Diversify, develop proprietary feedstock
- Culture of innovation

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