



# Venture Capital Funding Quarterly

## **Alternative Energy • Clean Technology Energy • Environmental**

4<sup>th</sup> Quarter, 2013 – North America

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## Summary

During the fourth quarter of 2013, a total of 43 companies received \$313 million in disclosed venture capital funding, representing a 10% decrease in the number of companies being funded and a 47% decrease in total amount funded in the four sectors of Alternative Energy, Clean Tech, Energy and Environmental.

Only the Clean Technology and Environmental sectors showed an increase in funding vs. the previous quarter, but it was not enough to offset steep declines in the other sectors. The Alternative Energy and Energy sectors suffered significant reductions in aggregate funding from venture capital sources.

## Funding Activity

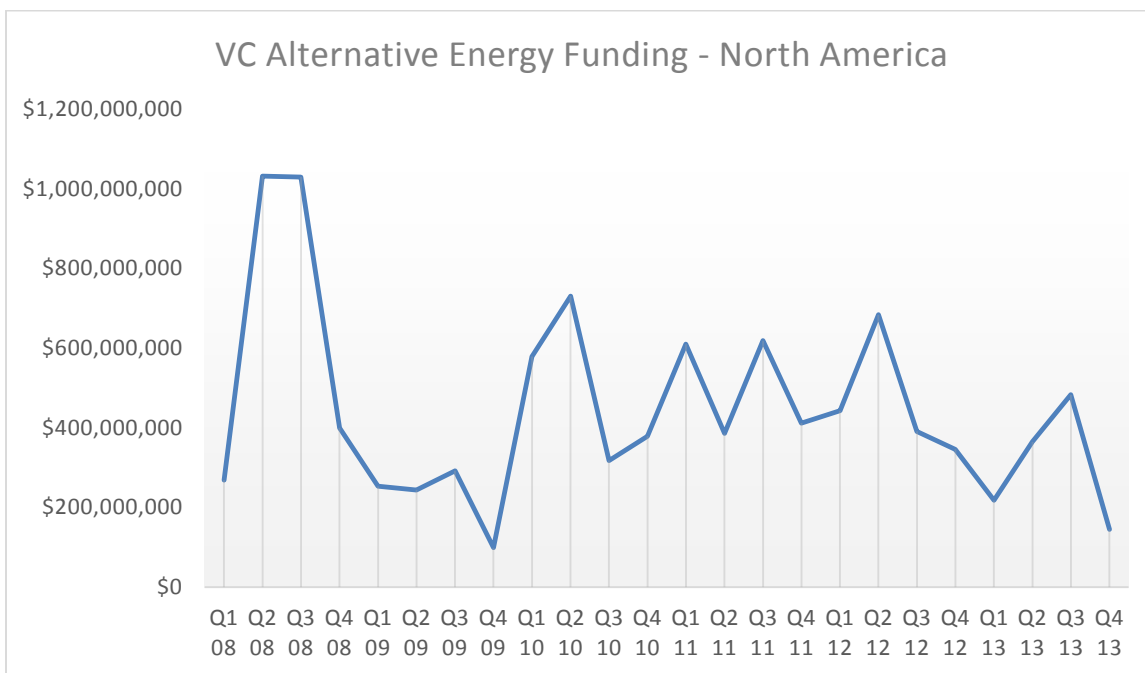
### Alternative Energy

Alternative Energy companies, which include solar, biofuels, wind power, hydrogen and other non-fossil fuel energy developers, continued to receive the largest share of funding of the four industry sectors. 21 companies received \$145 million in venture capital financing, which represented a 28% decrease in the number of companies being funded and a 70% decrease in funding amounts versus the third quarter of 2013.

In the wind space, Waltham, Massachusetts-based [Ogin](#) secured \$55 million from foreign investor [New Zealand Superannuation Fund](#). The company has developed what it says are “smaller, more efficient wind turbines that can go where large turbines can’t.” Ogin did not say specifically how it would use the financing proceeds, but the investor indicated that part of the proceeds would be used to redevelop existing wind farms using its new turbines.

In the solar space, [Terrajoule](#) garnered \$11.5 million in its Series A round from a syndicate of venture capital firms, individual investors and corporate investors. The company says that it is developing solar energy storage solutions to help resolve the problem of energy intermittency. Terrajoule currently plans to target industries and applications that are primarily off grid, agricultural and rural.

**Chart 1**



## Clean Technology

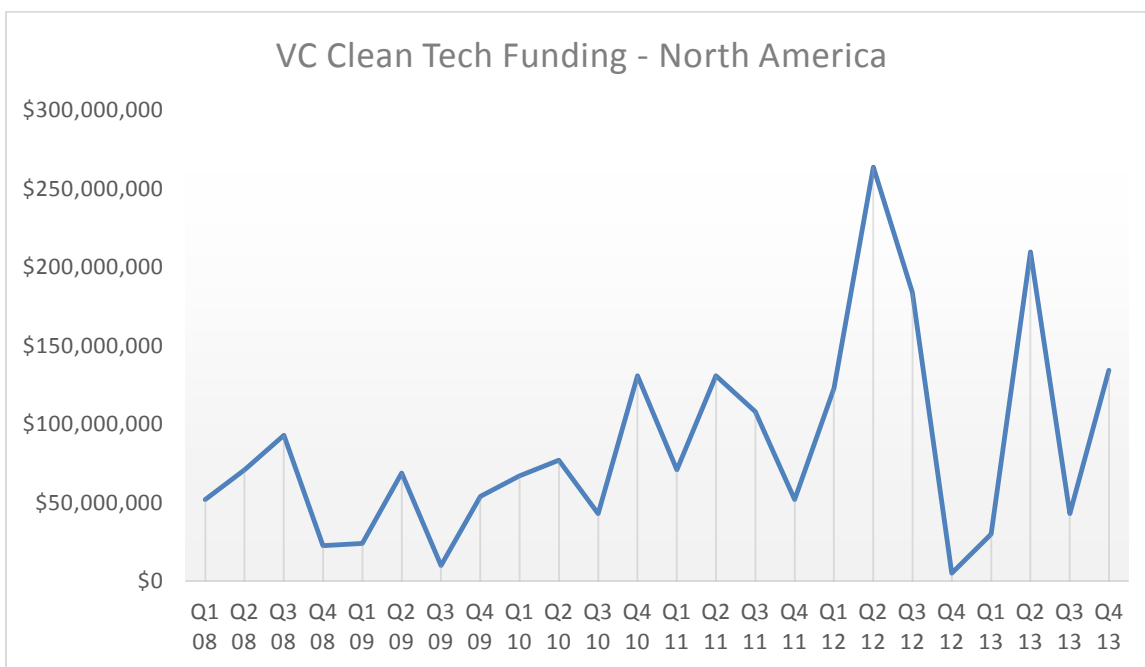
Clean Technology deal volume reversed its previous quarterly results by more than tripling to \$134 million between 12 companies, a 312% increase in aggregate funding amount and a 50% increase in the number of companies funded versus the previous quarter. Industry funding amounts have continued to vary markedly from quarter to quarter.

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New York-based [Ecovative](#) secured \$14 million of the total sector funding. The company has created what it calls EcoCradle packaging that performs similarly to synthetic foams but takes less energy to produce. Ecovative collected the amount from investors including the [3M Corporation](#).

In the water space, Beaverton, Oregon-based [Puralytics](#) secured \$4 million in Series A venture capital funding. Puralytics says it has developed a novel water treatment system that uses light-activated photochemical processes instead of chemical thermal filtration.

**Chart 2**



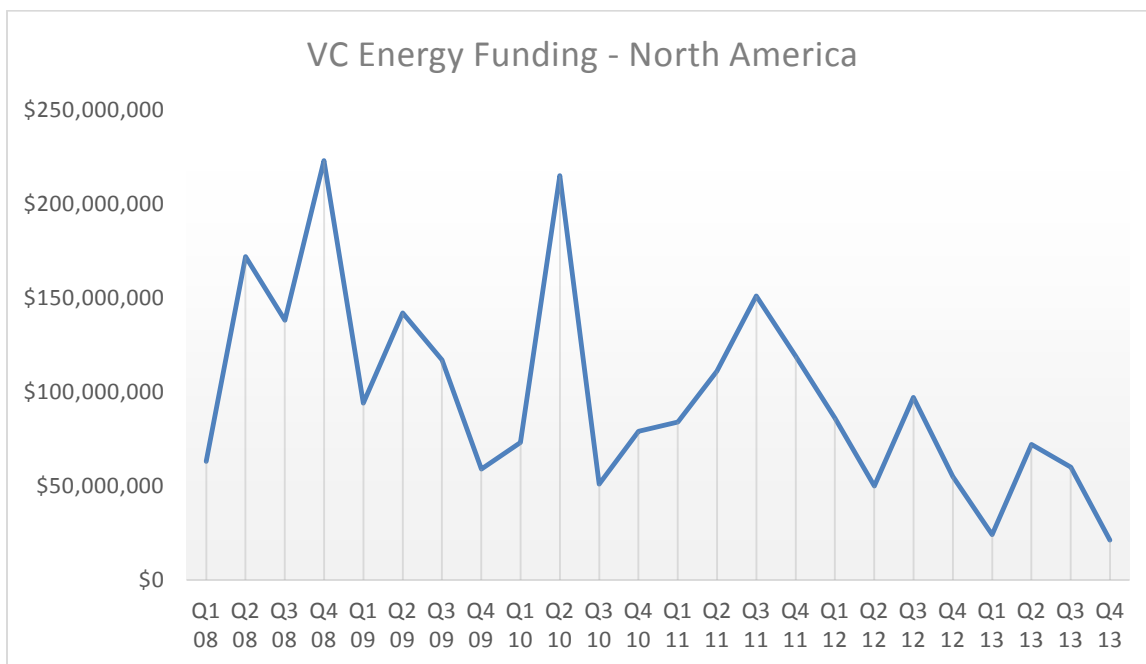
**Energy**

Venture-backed Energy company fundings decreased by 65% to \$21 million, compared to \$60 million in the previous quarter. The number of companies funded decreased from 9 to 6.

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Millbrae, California-based [Stem](#) raised most of the sector funding, garnering \$15 million in its Series B round from a syndicate of private equity and corporate investors. Stem said it would use the proceeds to increase energy storage production to meet growing demand.

**Chart 3**



## Environmental

The Environmental sector closed four transactions for the quarter, twice as many as in the previous quarter, for a total aggregate of just over \$131 million raised.

Recycler [eRecyclingCorps](#) accounted for \$105 million of the total in its third institutional venture capital financing round from top-tier venture capital and private equity investors. The company “extends the life cycle of mobile devices” with incentivized trade-in programs. eRC said it would use the investment for potential acquisitions, geographic expansion and new products and services.

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**Chart 4**

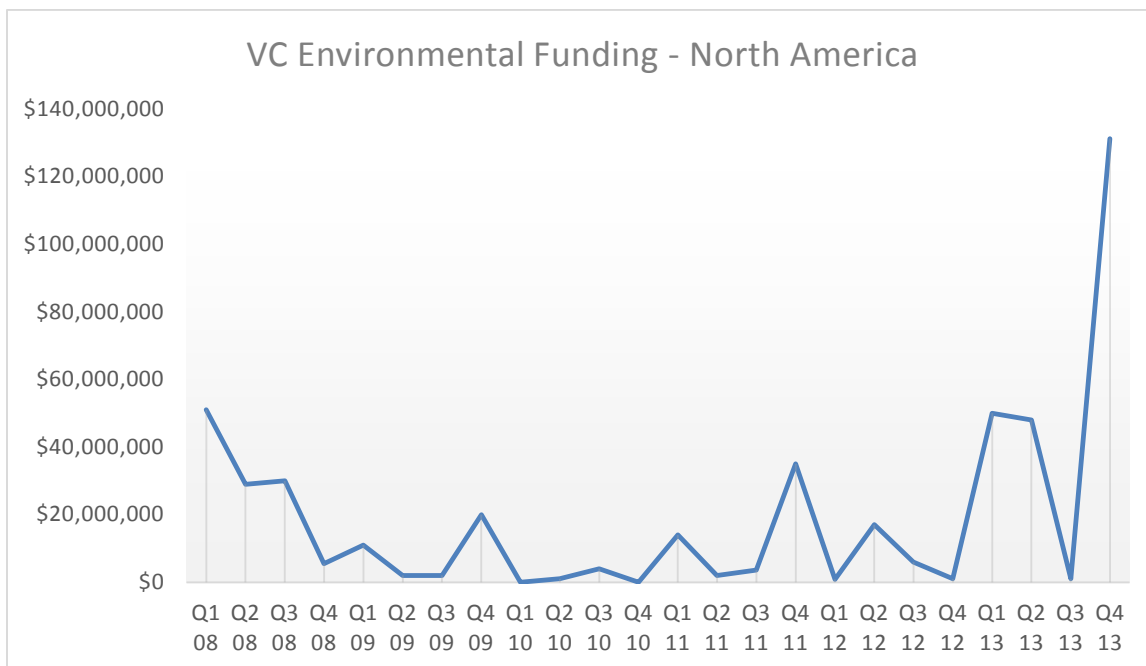


Table 1

**Venture Funding Activity – 4<sup>th</sup> Quarter 2013**

Industry	Total Disclosed Funding	% Change Vs. Prior Quarter	Number of Companies Funded	% Change vs. Prior Quarter
Alternative Energy	\$145 million	- 70%	21	- 28%
Clean Technology	\$134 million	+ 312%	12	+ 50%
Energy	\$21 million	- 65%	6	- 33%
Environmental	\$13 million	--	4	+ 100%
<b>Total</b>	<b>\$313 million</b>	<b>- 47%</b>	<b>43</b>	<b>- 10%</b>

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## Notes

This report was prepared by the staff of VentureDeal, LLC.

The information source used was the [VentureDeal.com](http://VentureDeal.com) database. VentureDeal is a venture capital database that provides the latest information about venture-backed technology Companies, venture capital funds and venture capital financing in the United States.

The database obtains transaction and company information from a wide variety of reputable public and private sources. While this report is free of charge, users may view the individual transactions supporting the totals herein by subscribing to VentureDeal.

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