

Venture Capital Funding Quarterly

Alternative Energy · Clean Technology Energy · Environmental

1st Quarter, 2010 – United States

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Summary

During the first quarter of 2010, a total of 51 companies received \$719 million in new venture capital financing, representing a 55% increase in the number of companies being funded and a 210% increase in the total amount funded in the four sectors of Alternative Energy, Clean Tech, Energy and Environmental.

Alternative Energy, Clean Technology and Energy companies showed deal funding volume percentage increases, though in recent quarters the swings in funding have been large and allocated among relatively few companies. The number of companies funded in the Clean Technology and Energy sectors was down, with an 18% and 25% decrease in companies funded in each sector respectively.

Funding Activity

Alternative Energy

Alternative Energy companies, which usually 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. 35 companies received \$579 million in venture capital financing, which represented a 169% increase in the number of companies being funded and a 485% funding increase versus the fourth quarter of 2009.

Geothermal power company [Vulcan Power](#) raised the largest round, receiving \$108 million from private equity firm [Denham Capital](#). The company said it would use the funding proceeds to continue the development of its geothermal power generating properties that it says total more than 300 MW.

Solar energy company [SolarCity](#) secured \$60 million from undisclosed investors during the quarter. SolarCity is a solar energy provider for homeowners, businesses and government installations and is expanding its services nationwide.

Clean Technology

Clean Technology deal volume continued its previous upward trend by showing a 24% increase to \$67 million in total funding among 9 companies versus 11 companies in the previous quarter.

Corporate investor [Dow Chemical](#) made a small investment in [Clean Filtration Technologies](#). Clean Filtration has developed a non-consumable, proprietary metal membrane that filters water for drinking and wastewater filtration. This strategic investment was part of a larger round of venture capital funding.

In the organic pesticide space, [Marrone Organic Innovations](#) received \$7.13 million in an unpublished transaction. The company is developing "biopesticides" for producers in agricultural and marine applications.

In the end-user purified water market, [Quench](#) raised one of the larger rounds of the quarter, closing on \$13.24 million from the [Virgin Green Fund](#), among other investors. The company has been in existence for over a decade providing bottle-less water filtration units to businesses nationwide.

Energy

Venture-backed Energy company fundings increased by 24% compared to the previous quarter. The number of companies funded also decreased 25%, from 8 in the previous quarter to 6 in the current quarter. The average size of funding round amounted to \$12.1 million.

Solid-state energy storage company [Cymbet](#) garnered the largest funding during the quarter, \$31 million for its third round of financing. Among the investors was Corporate investor [Dow Chemical](#). Cymbet said it would use the proceeds to expand its sales and marketing initiatives internationally for its ecologically friendly solid-state energy storage.

In the energy monitoring space, [GroundedPower](#) collected \$918,000 in an unpublished round. The company says that its application suite for electrical power utilities "creates persistent behavior change and drives dramatic and sustained energy and carbon savings" from utility customers.

Environmental

The Environmental sector tallied one transaction for an undisclosed amount during the quarter, versus \$20 million in the previous quarter. The company that received the funding, San Diego-based [ecoATM](#), claims that "its approach will enable a 10 fold increase in recycling." [Tao Venture Partners](#) made the investment.

Table 1

Venture Funding Activity – 1st Quarter 2010

Industry	Total Amount Funded	% Change Vs. Prior Quarter	Number of Companies Funded	% Change vs. Prior Quarter
Alternative Energy	\$579 Million	+ 485 %	35	+ 169 %
Clean Technology	\$67 million	+ 24 %	9	- 18 %
Energy	\$73 million	+ 24 %	6	- 25 %
Environmental	Undisclosed	--	1	--
Total	\$719 million	+ 210 %	51	+ 55 %

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Transaction Amounts by State - All Sectors Aggregated



Legend (Discrete Log Values):

Dark Green: \$100 Million +

Medium Green: \$10 Million - \$100 Million

White: \$1 Million - \$10 Million

State	Transaction Amounts
California	\$279,735,000
Oregon	\$201,200,000
Massachusetts	\$93,700,000
New Jersey	\$40,000,000
Minnesota	\$31,000,000
Maryland	\$24,769,000
Pennsylvania	\$15,840,000
Washington	\$11,500,000
Missouri	\$10,000,000
New Hampshire	\$5,000,000
New Mexico	\$3,500,000
North Carolina	\$1,500,000

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Notes

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

The information source used was the 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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