



Venture Capital Funding Quarterly

Alternative Energy • Clean Technology Energy • Environmental

2nd Quarter, 2010 – United States

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Summary

During the second quarter of 2010, a total of 58 companies received \$1.03 billion in disclosed venture capital funding, representing a 14 % increase in the number of companies being funded and a 43 % increase in the total amount funded in the four sectors of Alternative Energy, Clean Tech, Energy and Environmental.

All sectors showed deal funding volume percentage increases, continuing the previous quarter's up trend. The number of companies funded in the Clean Technology sector was down slightly, with an 11% decrease in companies funded. The Alternative Energy, Energy and Environmental sectors showed increases in the number of companies funded during the quarter.

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. 37 companies received \$731 million in venture capital financing, which represented 6% increase in the number of companies being funded and an 26% funding increase versus the first quarter of 2010.

Two solar companies raised funding rounds in excess of \$100 million. [Amonix](#) secured \$129.4 million and [BrightSource](#) garnered a whopping \$150 million.

Amonix designs what it calls "high-performance high concentration photovoltaic power generation systems for utility scale applications." The financing round consisted of a large syndicate of venture capital investors led by [Kleiner Perkins Caufield & Byers](#).

BrightSource, which received \$150 million, is also in the solar power generation space, but is an operator of large utility scale solar power plants. The company is backed by numerous venture capital, pension fund and strategic investors. It said it would use the funding proceeds

to support its "2,610 megawatts in contracts with Pacific Gas and Electric and Southern California."

Clean Technology

Clean Technology deal volume continued its previous upward trend by showing a 15% increase to \$77 million in total funding among 8 companies versus 9 companies in the previous quarter.

Kingwood, Texas-based [Envirogen Technologies](#) accounted for \$50 million of the total funding for the quarter. The company provides a range of services for the treatment of ground water, wastewater and resource recovery.

Corporate investor [Dow Chemical](#) continued to be active in the space, making another small investment in [Clean Filtration Technologies](#).

[NanoH2O](#) received investment of \$10 million from noted clean tech investor [Khosla Ventures](#), among others. The company has designed what it calls advanced membrane materials that improves the viability of water desalination in order to increase the supply of drinkable water.

Water ballast company [Tandem Technologies](#) raised \$12.5 million in an unpublished round. Tandem has developed a technology that it calls "Medusa" that assists in the eradication of invasive species and bio-pollution. [Domain Associates](#), [Venrock](#) and others invested in the round.

Energy

Venture-backed Energy company fundings increased by a whopping 195% compared to the previous quarter. The number of companies funded increased by 83%, from 6 in the previous quarter to 11 in the current quarter. The average size of funding round group from a previous \$12.1 million to \$19.5 million.

Battery maker [Boston-Power](#) garnered the largest funding during the quarter, \$60 million for its fifth round of financing. Among the investors was [Oak Investment Partners](#). The company said it would use the funding proceeds to expand into international markets.

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Seattle, Washington-based [EnerG2](#) raised \$3.5 million from undisclosed investors during the quarter. The company says that it works closely with the University of Washington Department of Materials Science and Engineering to produce new materials to enhance energy storage. EnerG2 is backed by [Firelake Capital](#) and [OVP Venture Partners](#).

Environmental

The Environmental sector tallied two transactions for a total of \$1.25 million of during the quarter. One company that received undisclosed funding, Irving, Texas-based [eRecyclingCorps](#), raised it from [SJF Ventures](#) and other undisclosed investors.

Table 1

Venture Funding Activity – 2nd Quarter 2010

Industry	Total Disclosed Funding	% Change Vs. Prior Quarter	Number of Companies Funded	% Change vs. Prior Quarter
Alternative Energy	\$731 Million	+ 26 %	37	+ 6 %
Clean Technology	\$77 million	+ 15 %	8	- 11 %
Energy	\$215 million	+ 195 %	11	+ 83 %
Environmental	\$1 million	+ 100 %	2	+ 100 %
Total	\$1.03 billion	+ 43 %	58	+ 14 %

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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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