



# Venture Capital Funding Quarterly

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

3<sup>rd</sup> Quarter, 2010 – United States

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### **Contents**

Summary	2
Funding Activity	2
Notes	7

## Summary

During the third quarter of 2010, a total of 37 companies received \$416 million in disclosed venture capital funding, representing a 36% decrease in the number of companies being funded and a 59% decrease in the total amount funded in the four sectors of Alternative Energy, Clean Tech, Energy and Environmental.

All sectors showed deal funding volume percentage decreases, reversing the previous two quarters' increase. All sectors showed a drop in the number of companies funded. All sectors except Environmental showed a significant drop in amounts funded during the quarter as well.

## Funding Activity

### Alternative Energy

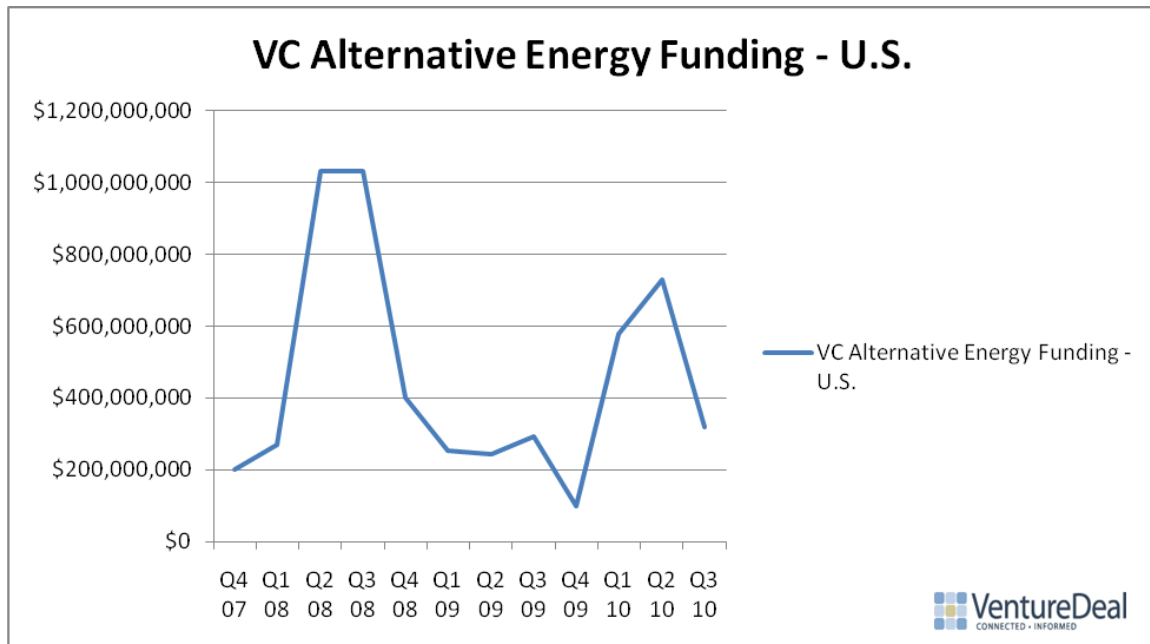
Alternative Energy companies, which include solar, biofuels, wind power, hydrogen and other non-fossil fuel energy developers, continued to receive the largest share of funding of the four industry sectors. 21 companies received \$318 million in venture capital financing, which represented a 43% decrease in the number of companies being funded and a 56% funding decrease versus the second quarter of 2010.

Solar company [Solaria](#) raised \$65 million in its fourth round of venture capital and debt funding. The company designs and sells photovoltaic solar modules to large-scale utilities and is backed by a syndicate of venture capital firms and strategic corporate venture arms.

In the biofuels space, [Kior](#) secured the largest round of the quarter, raising \$70 million from noted investor [Khosla Ventures](#) and other undisclosed firms. Kior has created technology that produces a renewable crude oil substitute from biomass.

In the wind energy space, [Windensity](#) reported receiving approximately \$1.25 million in an SEC regulatory filing. The company has developed what it calls a "distributed wind solution using rooftop mounted turbines to produce clean energy for commercial businesses worldwide."

**Chart 1**



## Clean Technology

Clean Technology deal volume reversed its previous upward trend by showing a 44% decrease to \$43 million in total funding among 8 companies, the same number of companies as the previous quarter.

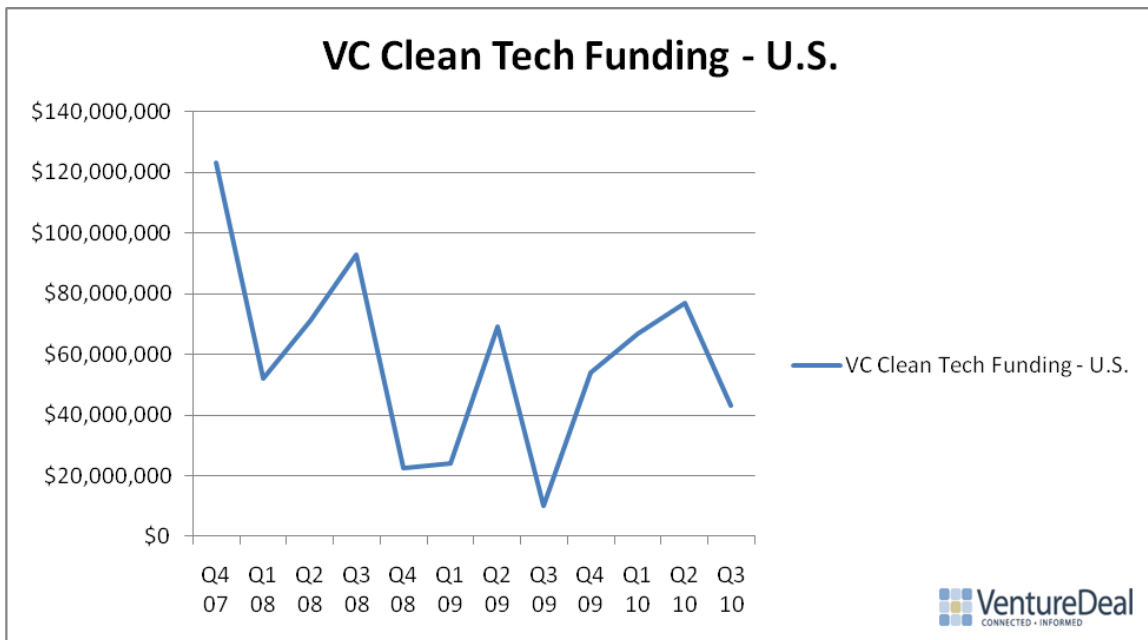
Campbell, California-based [Coulomb Technologies](#) garnered \$15 million in its series C round of venture capital investment. The company provides charging stations for electric vehicle fleets. It said it would use the financing proceeds to accelerate product development of its ChargePoint Network.

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[In-Pipe Technology](#) garnered \$2 million, according to an SEC regulatory filing. The company has developed technology that transforms sewer pipes into an active part of the wastewater treatment process, optimizing the entire infrastructure for municipalities.

[WaterHealth International](#) received \$22.2 million during the quarter in an unpublished round. WaterHealth sells water purification and disinfection technologies that help eliminate waterborne diseases in underserved communities worldwide. The company is backed by [Dow Venture Capital](#) and [Sail Venture Partners](#).

**Chart 2**



## Energy

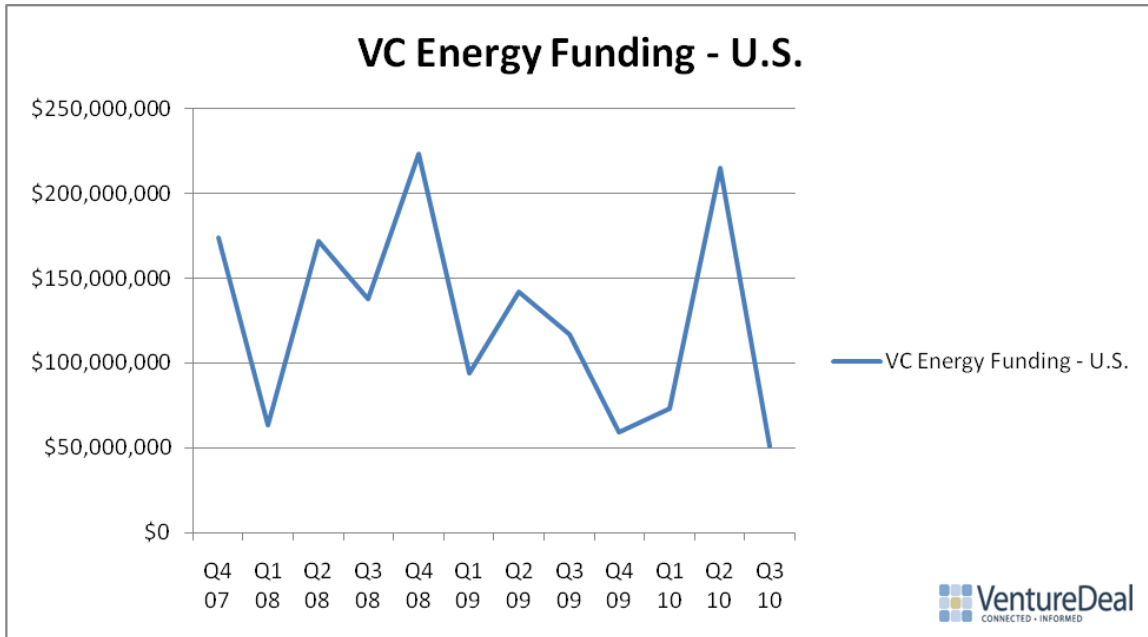
Venture-backed Energy company fundings decreased by a whopping 76% compared to the previous quarter, the largest percentage decrease among all four sectors. The number of companies funded decreased by 36%, from 11 in the previous quarter to 7 in the current quarter. The average size of funding round dropped from the previous quarter's \$19.5 million to \$7.4 million.

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Littleton, Colorado-based [Infinite Power Solutions](#) raised the largest amount of funding during the quarter, receiving \$20 million in its third round. Infinite Power sells thin-film batteries for micro-electronic applications. The company said it would use the funding proceeds to expand its manufacturing capacity and build out its sales force.

Also in the battery space, [Sakti3](#) landed \$4.2 million from investors including [General Motors](#) to advance its solid-state, rechargeable lithium-ion battery technology. The company says it aims to enable electric drivetrain vehicles to be capable of getting more than 100 miles per gallon.

**Chart 3**

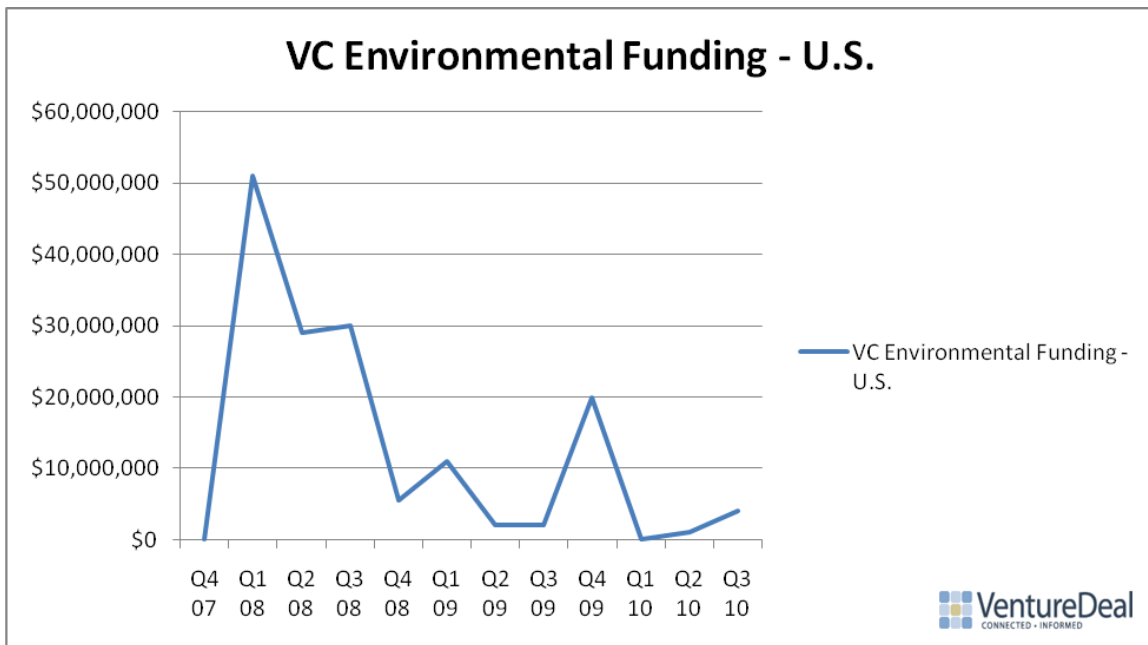


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Environmental

The Environmental sector tallied one transaction for a total of \$3.5 million during the quarter. Bourne, Massachusetts-based [Environmental Operating Solutions](#) secured the funding. The company says that it "creates agriculturally derived products to remove the pollutant nitrogen from wastewater."

**Chart 4**



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Table 1

## Venture Funding Activity – 3<sup>rd</sup> Quarter 2010

Industry	Total Disclosed Funding	% Change Vs. Prior Quarter	Number of Companies Funded	% Change vs. Prior Quarter
Alternative Energy	\$318 Million	- 56 %	21	- 43 %
Clean Technology	\$43 million	- 44 %	8	--
Energy	\$51 million	- 76 %	7	- 36 %
Environmental	\$4 million	+ 300 %	1	- 50 %
<b>Total</b>	<b>\$416 million</b>	<b>- 59 %</b>	<b>37</b>	<b>- 36 %</b>

### 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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