



Challenges in Early-Stage Cleantech Investment

ROCKY MOUNTAIN INSTITUTE

Transforming global energy use to create a clean, prosperous, and secure low-carbon future.

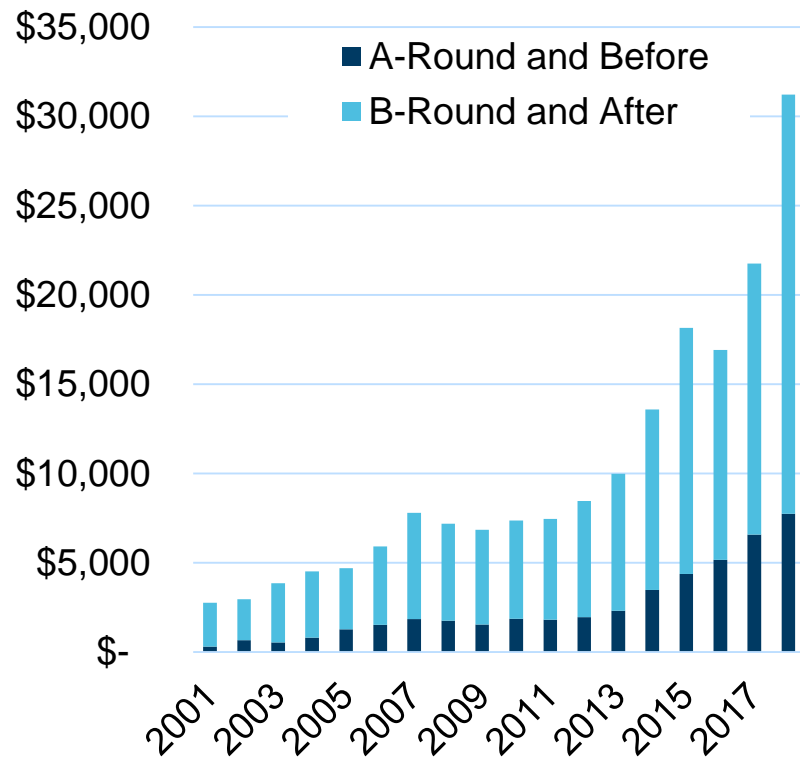
Cyril Yee, RMI Ventures Lead | Feb 7, 2020 | NASEO Conference

There is wide consensus that climate change is occurring
and we need new technologies to fight it

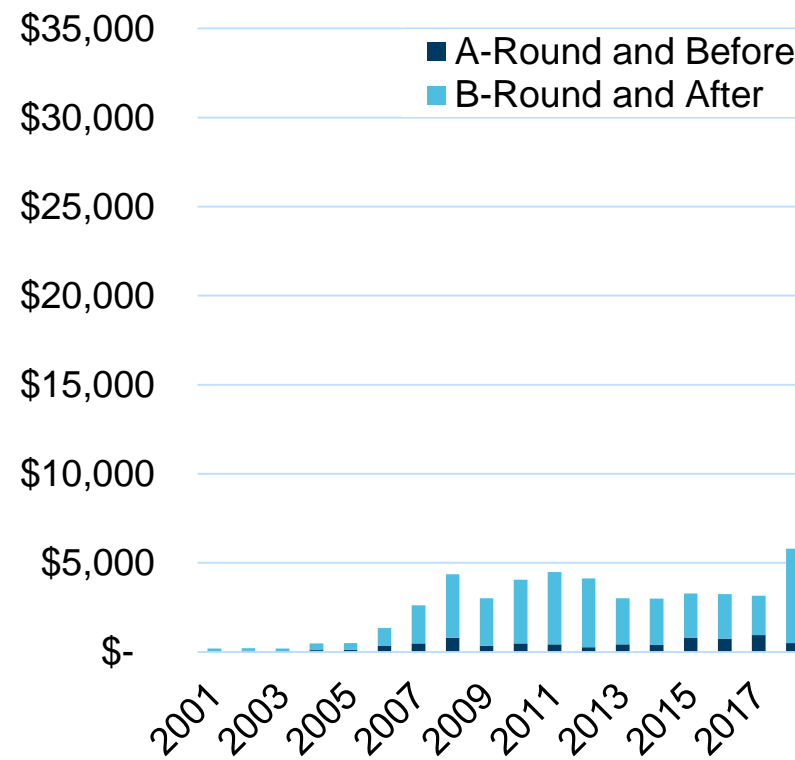


However, cleantech is not receiving adequate investment relative to the need and market opportunity

US Medtech VC Funding

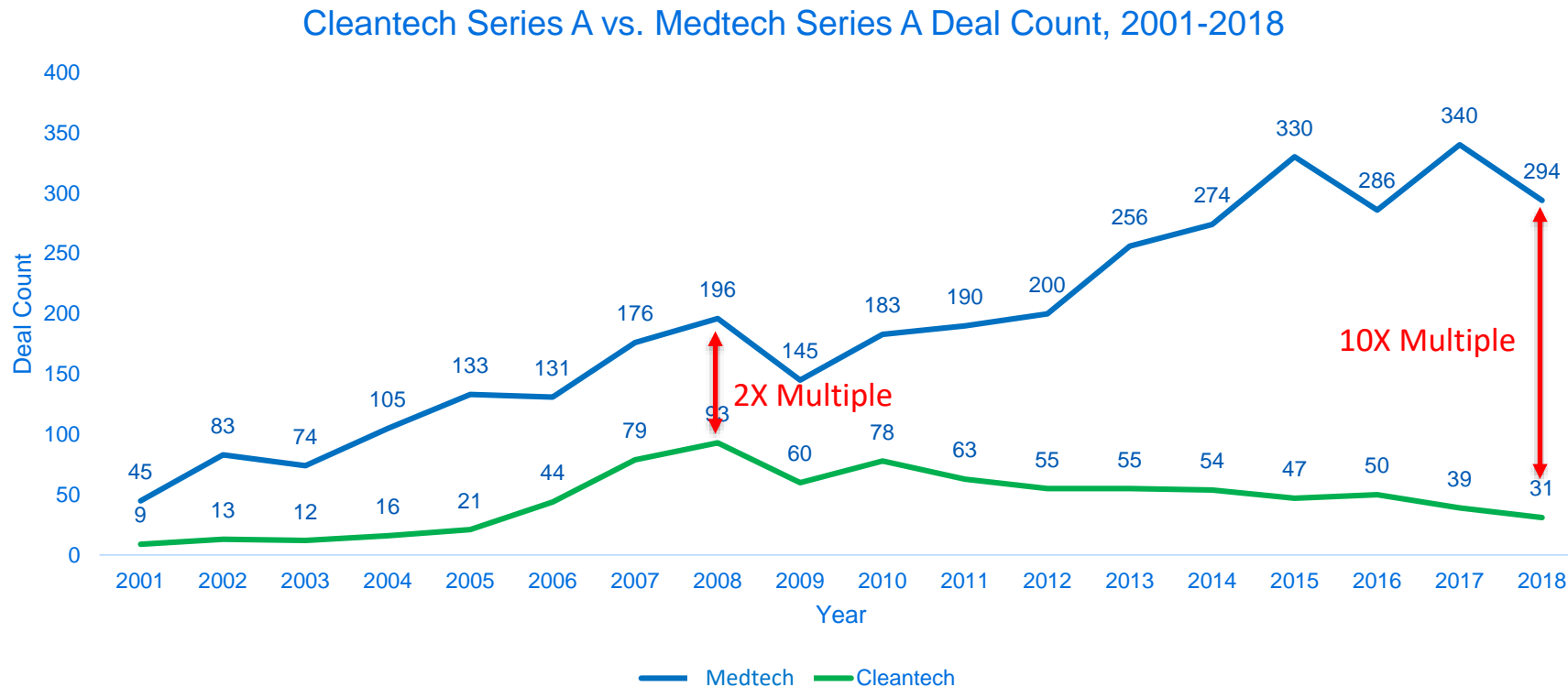


US Cleantech VC Funding
(Million USD)



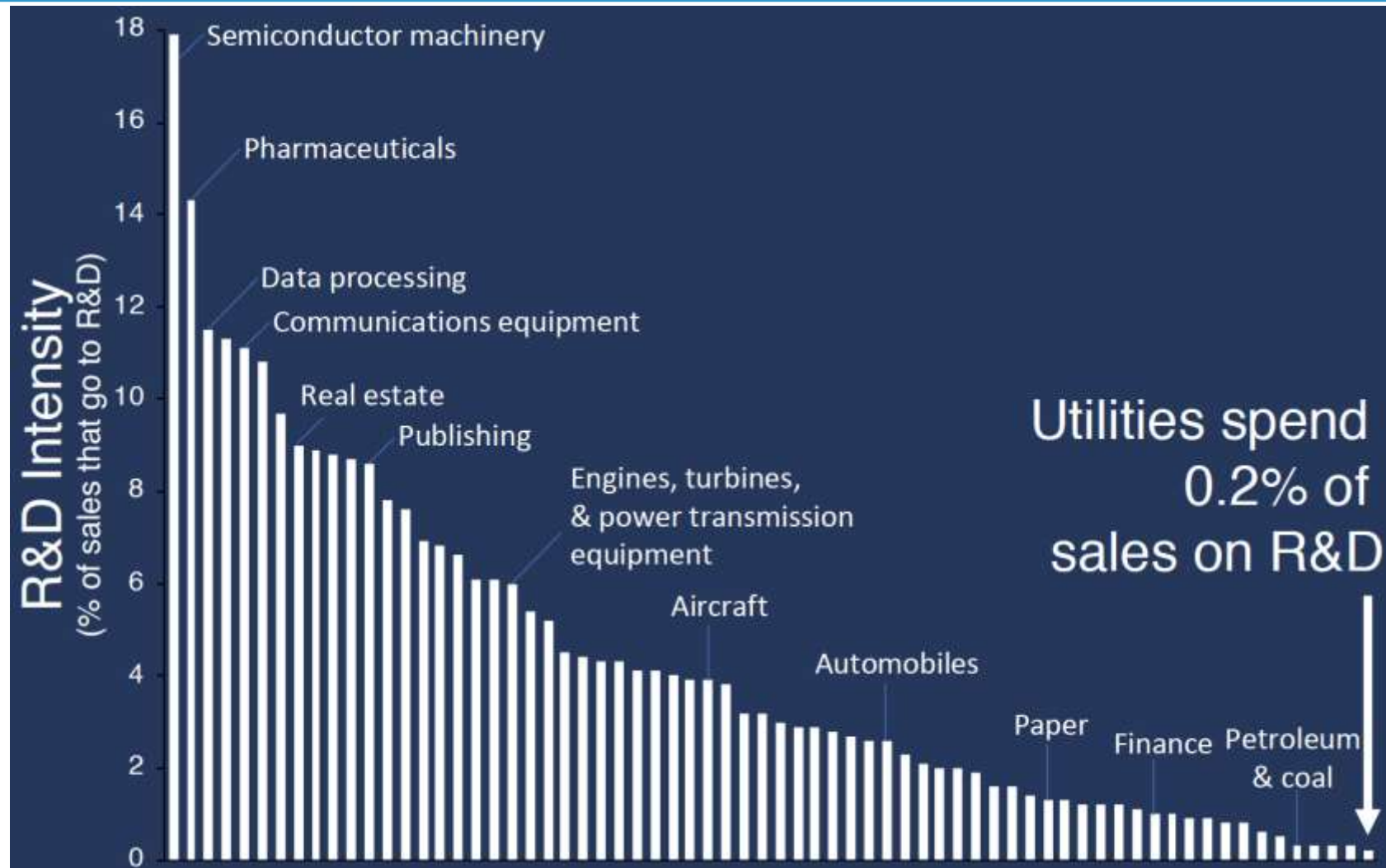
- Energy related sectors are larger than VC addressable healthcare sector
- For cleantech, early-stage and hardware struggle, in particular

Throttling of early-stage (non-software) investment is particularly pronounced

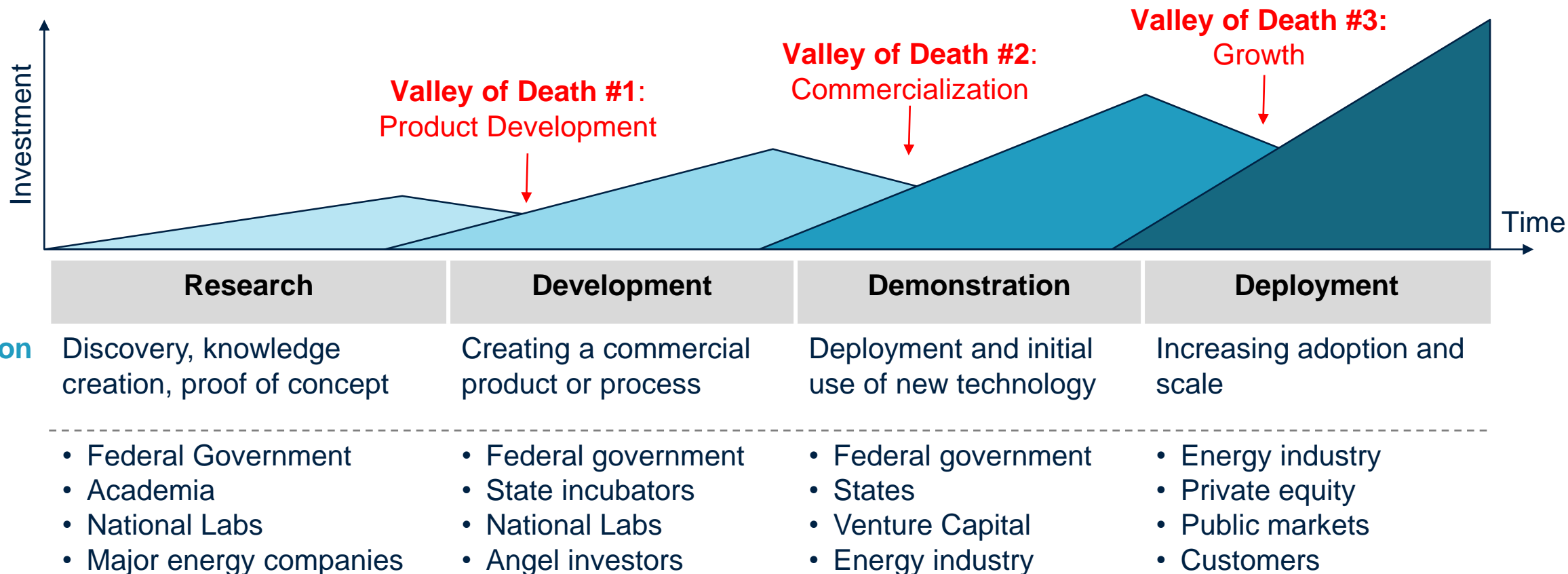


- Only 31 Cleantech Series A deals done in 2018; 1/10th of total number of Medtech
- Overall trend in Cleantech investing is declining even as opportunity and need grow

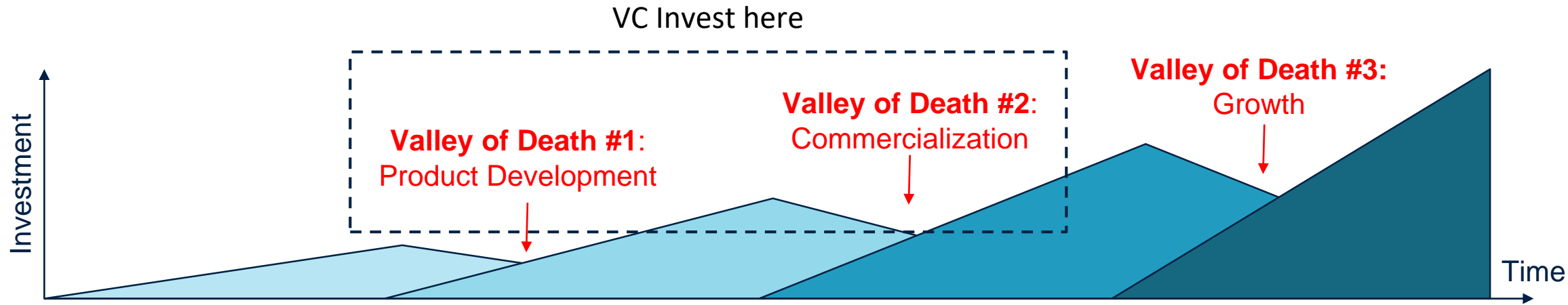
In the US, utilities are last in terms of R&D expenditure



Handoffs in commercialization create the well-known Valleys of Death

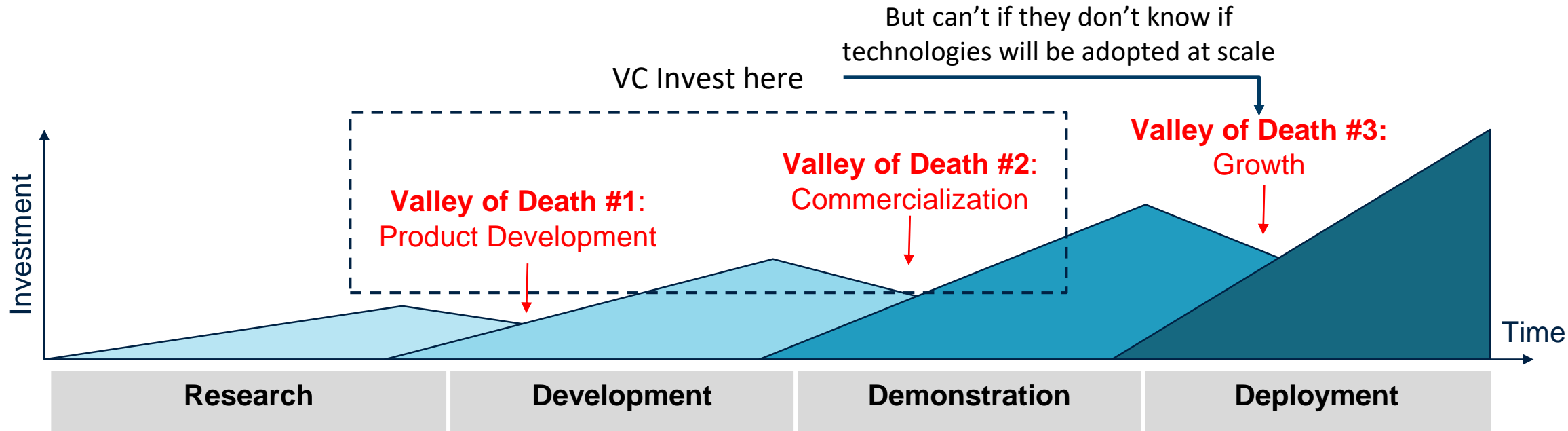


Handoffs in commercialization create the well-known Valleys of Death



	Research	Development	Demonstration	Deployment
Description	Discovery, knowledge creation, proof of concept	Creating a commercial product or process	Deployment and initial use of new technology	Increasing adoption and scale
Key players	<ul style="list-style-type: none"> Federal Government Academia National Labs Major energy companies 	<ul style="list-style-type: none"> Federal government State incubators National Labs Angel investors 	<ul style="list-style-type: none"> Federal government States Venture Capital Energy industry 	<ul style="list-style-type: none"> Energy industry Private equity Public markets Customers

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Description

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Key players

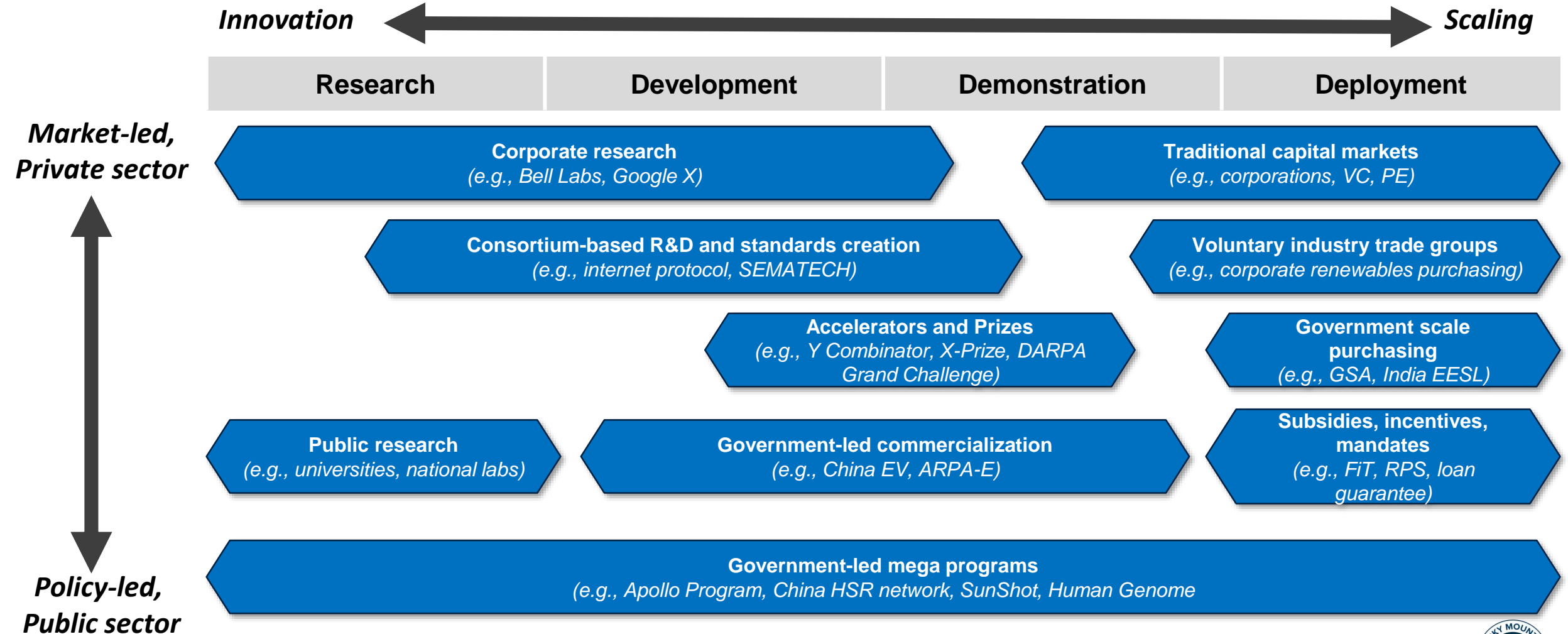
- Federal Government
- Academia
- National Labs
- Major energy companies

- Federal government
- State incubators
- National Labs
- Angel investors

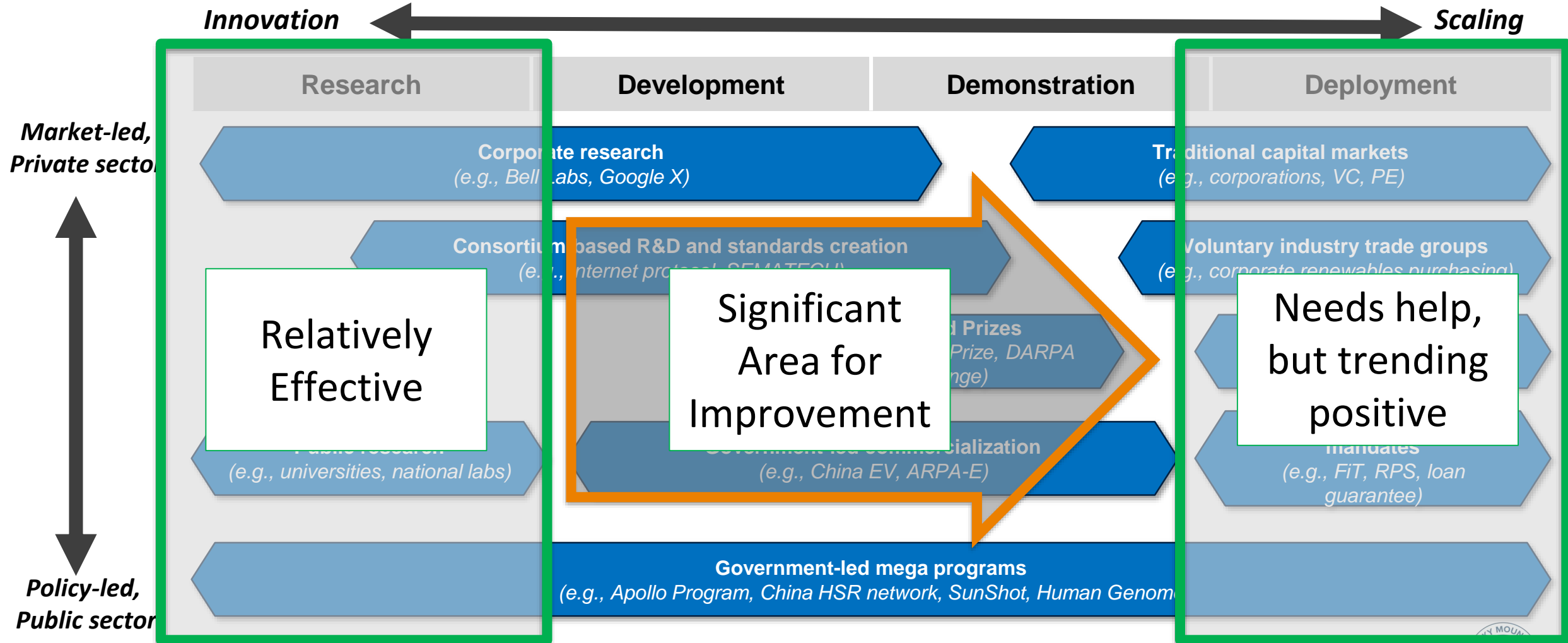
- Federal government
- States
- Venture Capital
- Energy industry

- Energy industry
- Private equity
- Public markets
- Customers

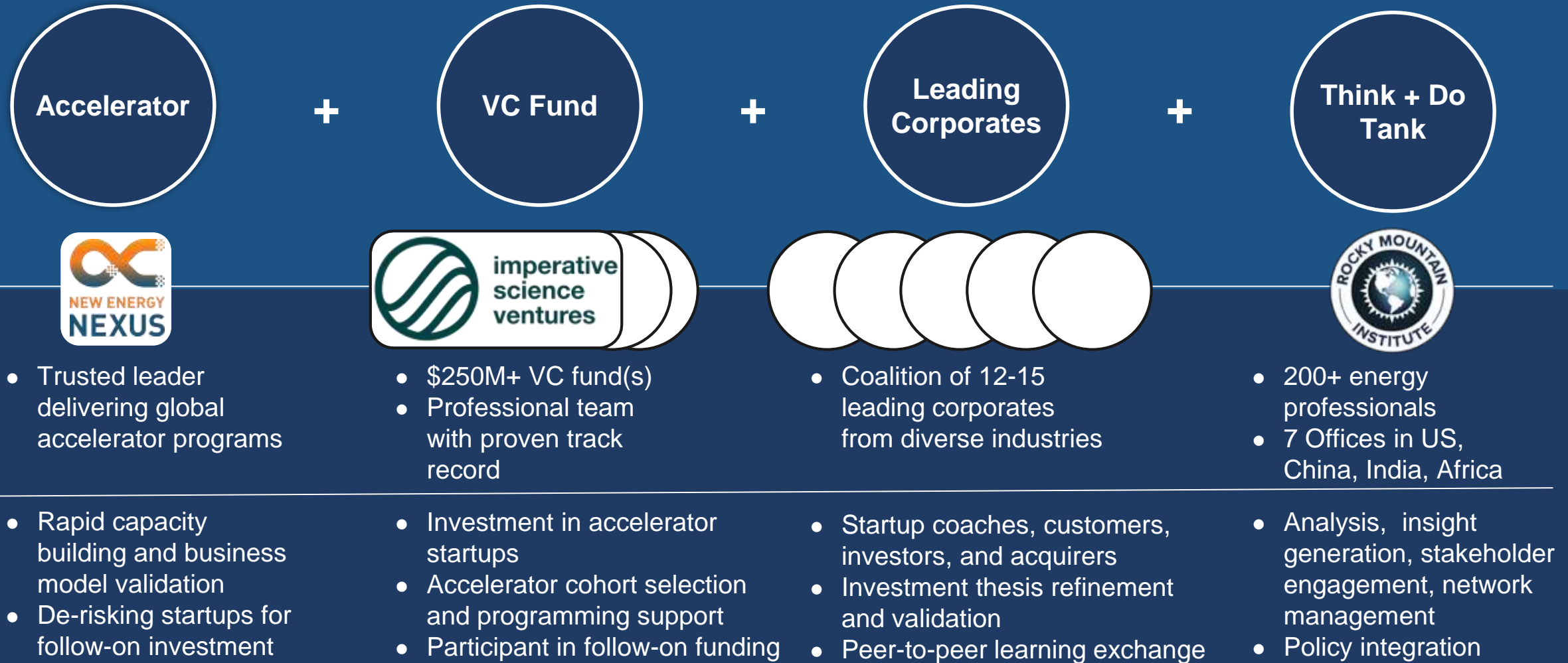
Piecemeal interventions address the individual valleys of death



Development and demonstration activities remain bottleneck to commercialization



A New Global Innovation Ecosystem: The Third Derivative



Ecosystem that addresses critical commercialization challenges

Thank You

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