



Eric Wesoff: January 12, 2011

VC Ira Ehrenpreis on the State of Cleantech

What if the developing world leapfrogs traditional energy the way it has leapfrogged old-school telecom?

Ira Ehrenpreis is the cleantech partner at VC-investment firm [Technology Partners](#). He has been investing in cleantech long before it was called 'cleantech.'

I sat down with the veteran investor for the first of several conversations about the industry, how it has changed and where he expects it to go.

Cleantech Past

When Ehrenpreis first started investing in cleantech, "cleantech was niche, not mainstream" and represented less than one percent of the venture capital asset class. Today, cleantech is the fastest growing sector in the venture capital business.

Whereas it was difficult to recruit executives into this sector just a few year ago, today "cleantech is a magnet for people in other industries," and he cites the recruitment of a General Electric executive to helm Abound Solar as CEO as a prime example. Ehrenpreis also recalls investing in batteries before it was called investing in "energy storage."

Cleantech Present

In 2010 we saw an increase in cleantech corporate partnerships. Ehrenpreis cites [Panasonic's \\$30 million investment](#) in now-public electric vehicle builder Tesla Motors and envisions more of this to come. Yes, 2010 was a good year for venture investment totals in greentech but the emphasis this year is going to be about scale.

Cleantech Future

But what really seems to excite Ehrenpreis are the days ahead. He looks at the analysis of the quadrillions of BTUs in the energy industry and sees 25 years of unprecedented growth ahead.

Ehrenpreis suggests that if you extrapolate the value of renewable energy over the next 25 years based on the current proportion of renewables, you come up with "a trillion dollars invested in the cleantech sector." But that "assumes a status quo in

the proportion of renewables versus traditional energy." That's the way the EIA makes their estimates.

Ehrenpreis insists that the EIA has not assumed a disruptive change in the price per watt of renewables, posing the question, "What if the developing world leapfrogs traditional energy the way it's leapfrogged old-school telecom?"

The punchline, according to the venture investor is that there are real catalysts for growth that blow away EIA estimates. The EIA assumes the status quo and "does not take into account innovation." This conversation concludes with Ehenpreis observing, "It would be a mistake to get mired in the challenges of the day and not focus on the opportunities of the decade. This is an unprecedented time to transform our fossil fuel economy to a 21st century clean energy economy."

Ehrenpreis is on the Boards of Accelergy, CoalTek, Deeya, FloDesign, PowerGenix, Solexel, and [Tesla](#). He is an investor in [Alta Devices](#) and [Abound Solar](#). He is also on the Board of the National Venture Capital Association and the newly formed [DOE Energy Efficiency and Renewable Energy Advisory Committee](#) (ERAC).

For the seventh year in a row, Ehrenpreis is serving as the Conference Chairman of the upcoming Clean-Tech Investor Summit, January 19 and 20 in Palm Springs, Ca. Speakers include Cathy Zoi of the DOE, Elon Musk of Tesla, and T.J. Rodgers, the CEO of Cypress Semiconductor speaking on "Driving Cleantech Growth Through Pure Economics."