

The 22nd NREL Industry Growth Forum - Denver - November 3, 2009

Successful Financial Strategies in a Credit-Constrained World

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Opportunity at the Intersections

Life Sciences

High Technology



CMEA
CAPITAL

**Energy &
Materials**

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“Is there an Renewable Energy Bubble?”



“By the way, does anything other than “trouble” rhyme with “bubble?”

Bubble Behavior = Human Nature

Tulipmania
1630

California
Gold Rush
1849

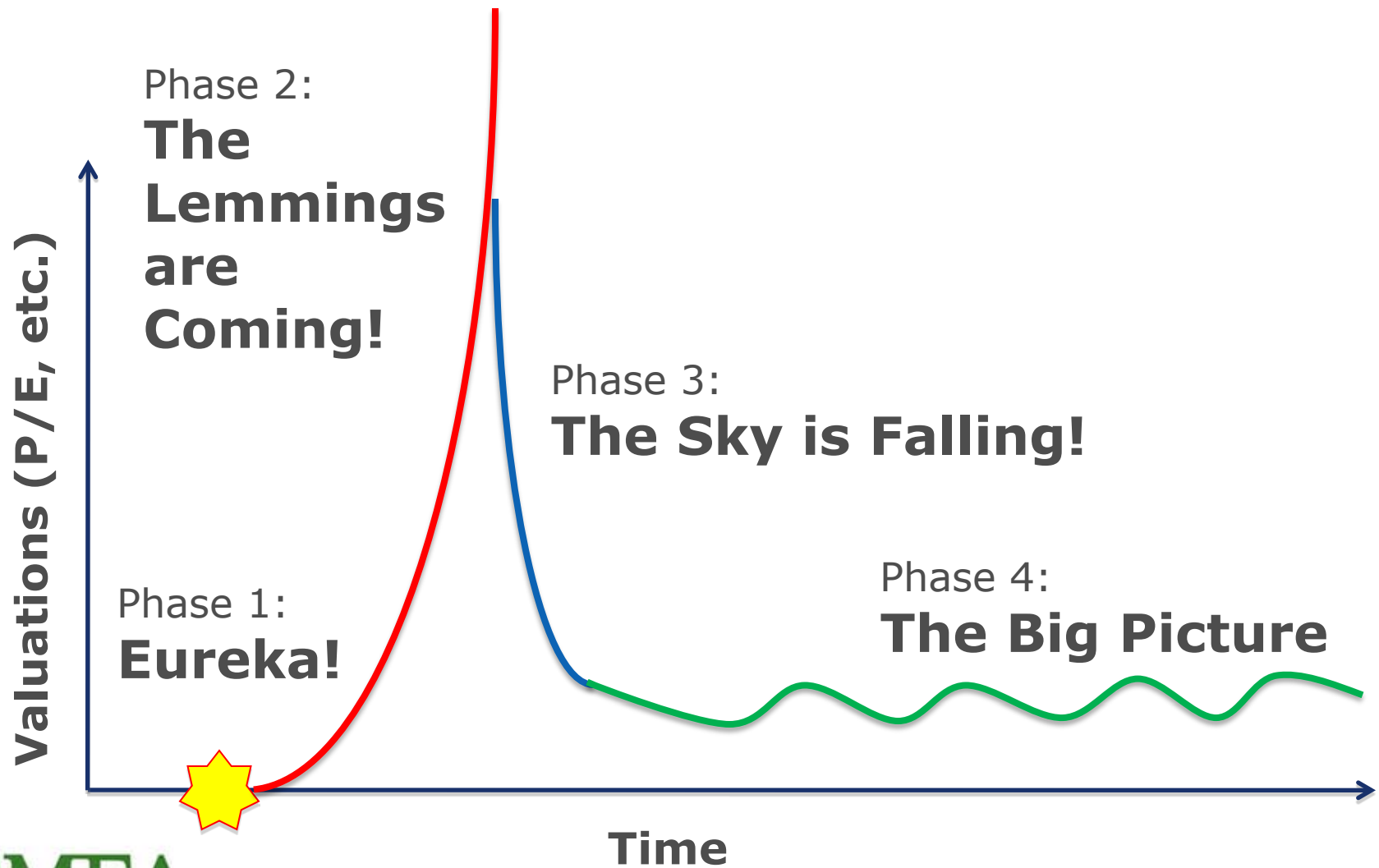
British
Railroads
1840

South Sea
Commerce
1720

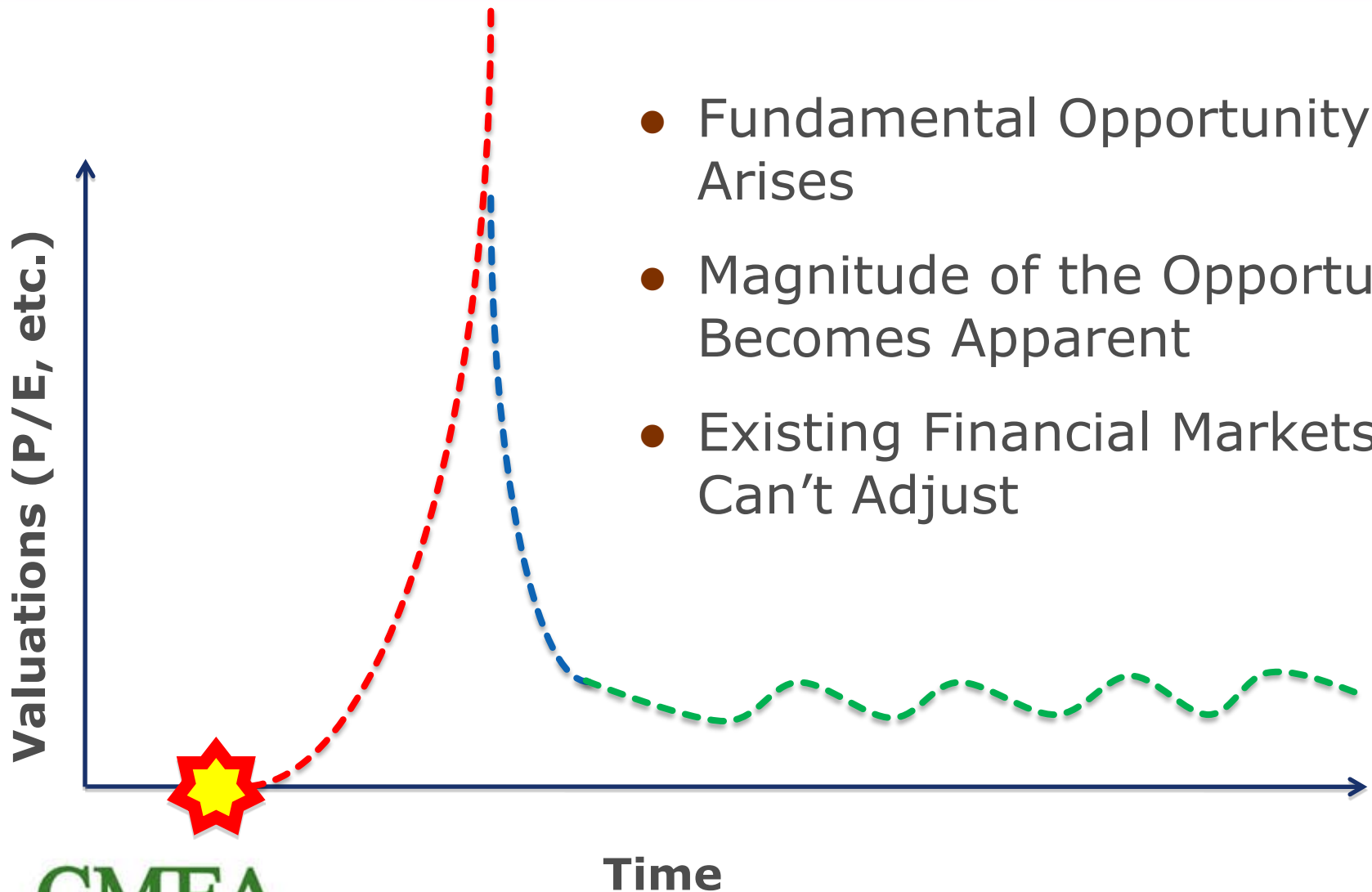
Dot Com
2000

Energy ?
Now ??

Four Phases of the Classic Bubble

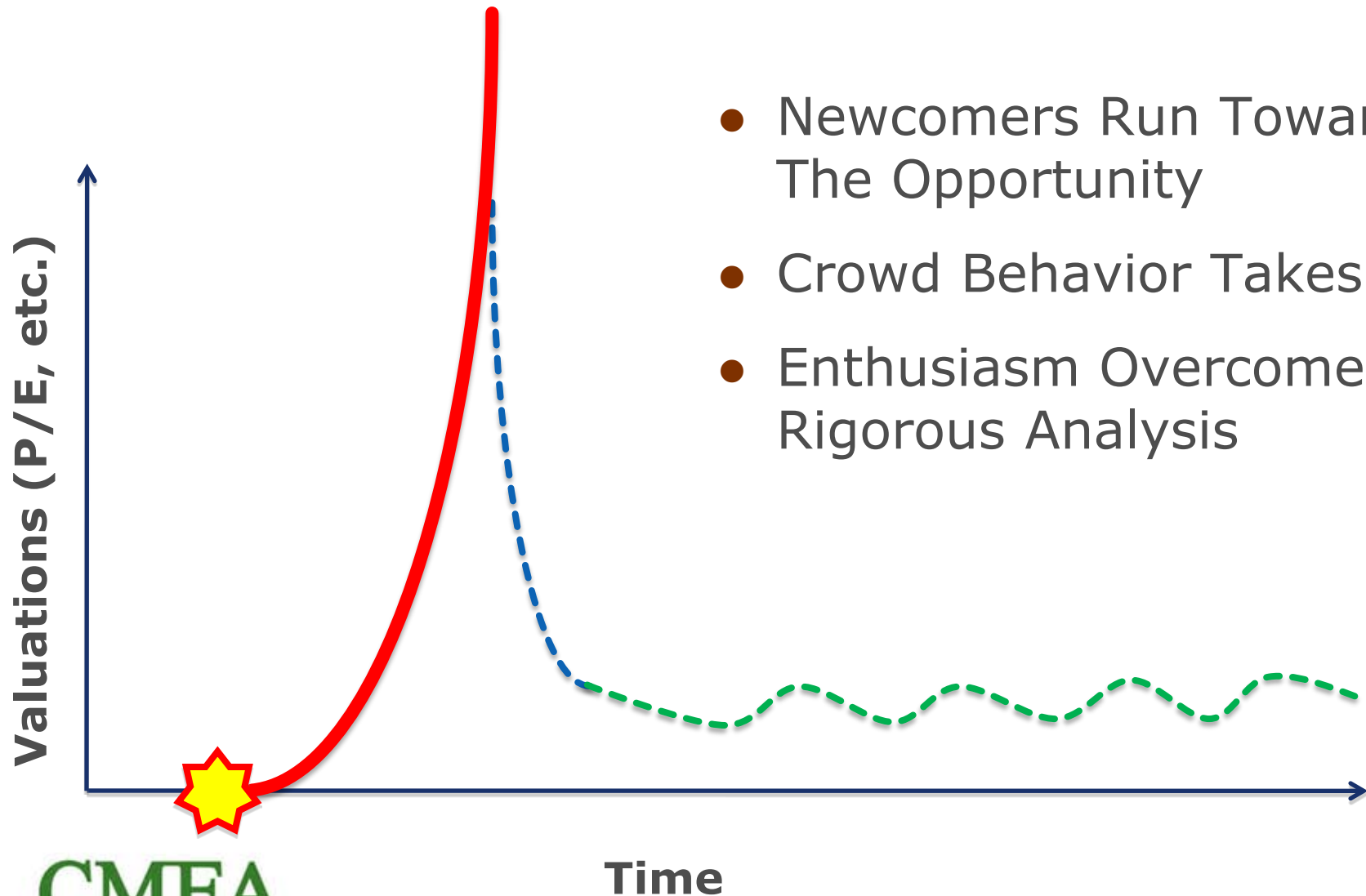


Phase 1: Eureka!



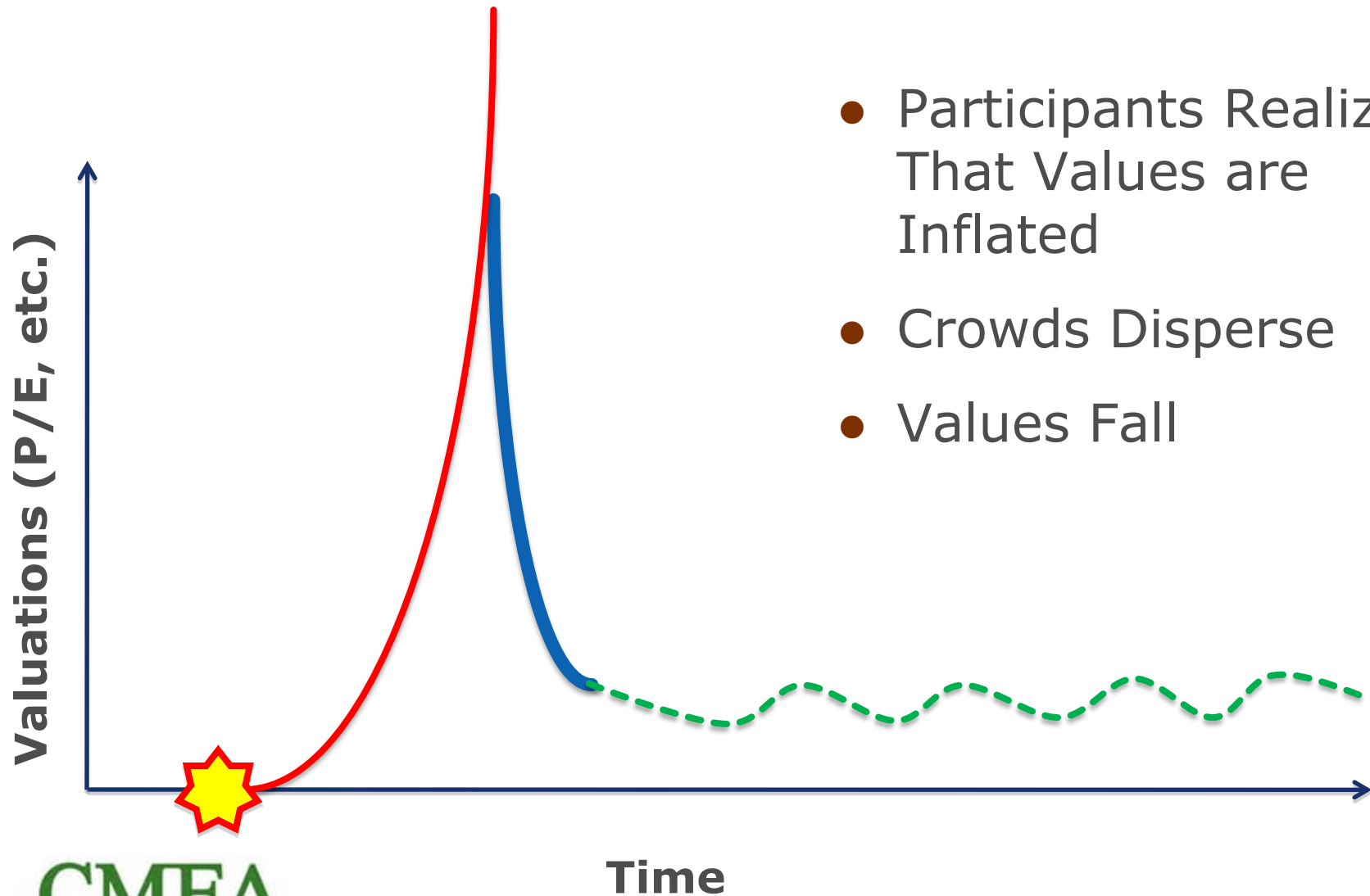
- Fundamental Opportunity Arises
- Magnitude of the Opportunity Becomes Apparent
- Existing Financial Markets Can't Adjust

Phase 2: The Lemmings are Coming!



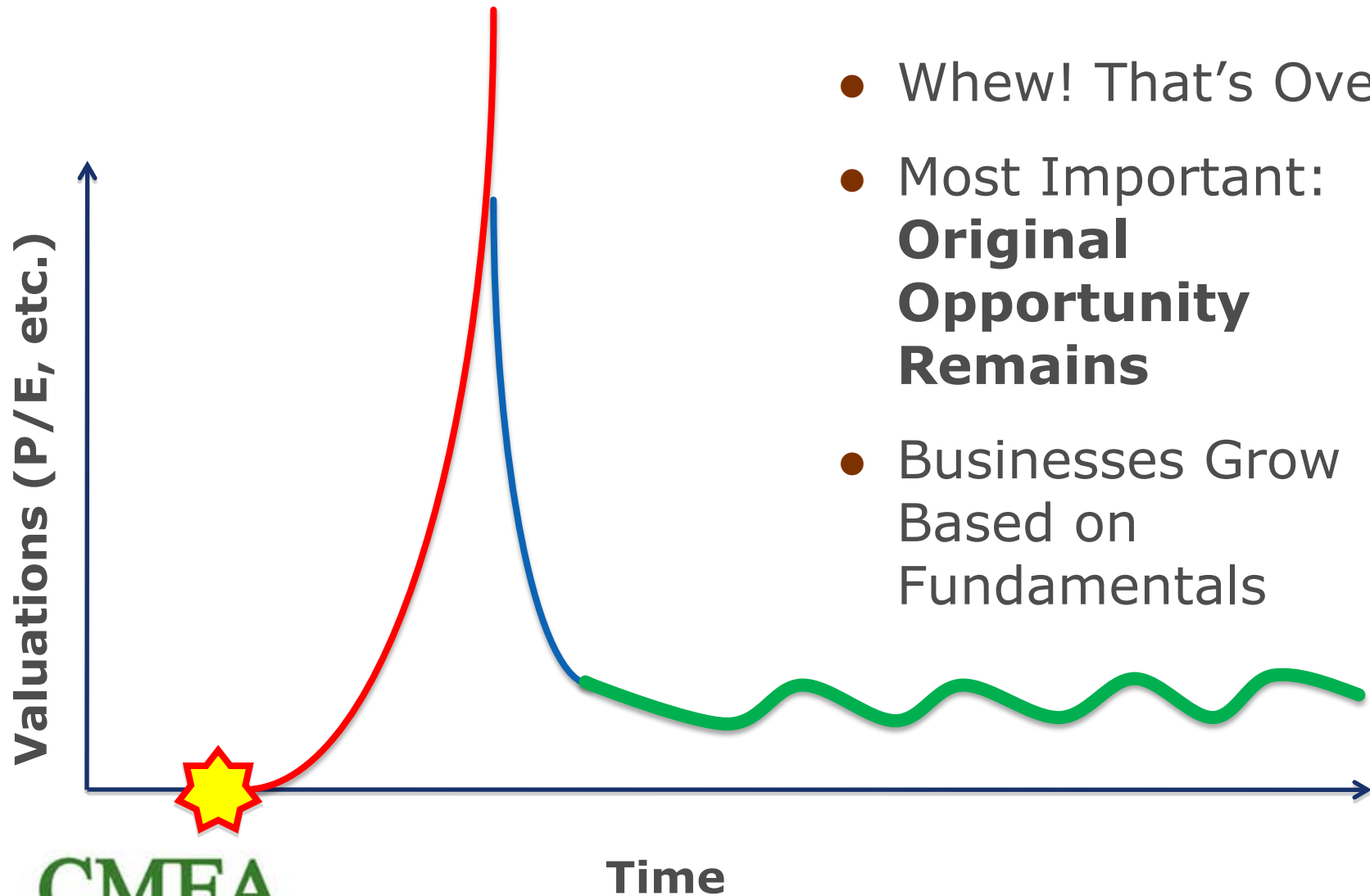
- Newcomers Run Towards The Opportunity
- Crowd Behavior Takes Over
- Enthusiasm Overcomes Rigorous Analysis

Phase 3: The Sky is Falling!



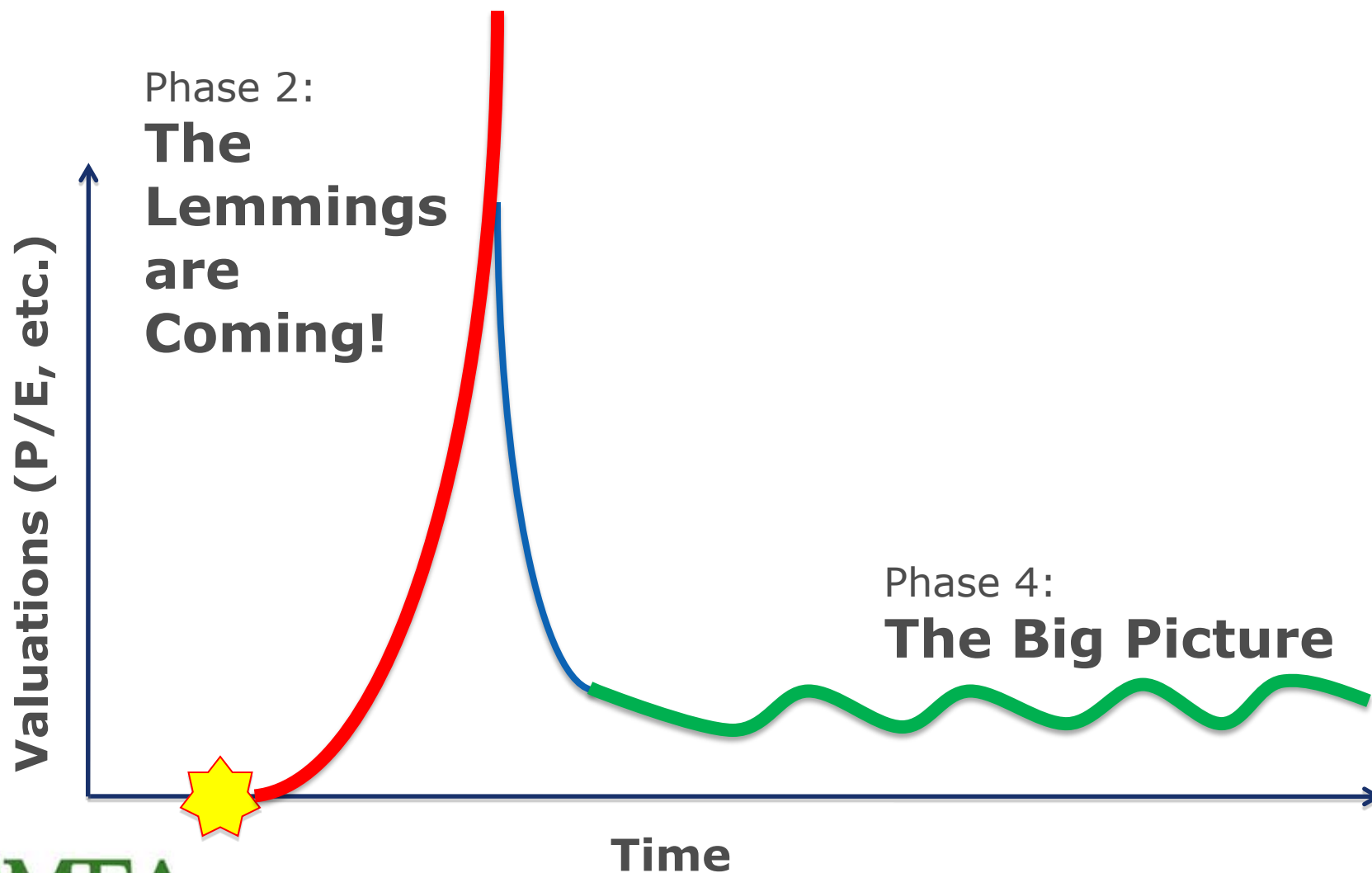
- Participants Realize That Values are Inflated
- Crowds Disperse
- Values Fall

Phase 4: The Big Picture



- Whew! That's Over!
- Most Important:
Original Opportunity Remains
- Businesses Grow Based on Fundamentals

Making Money in Bubbly Times



Energy Bubbles I Have Known

● Past

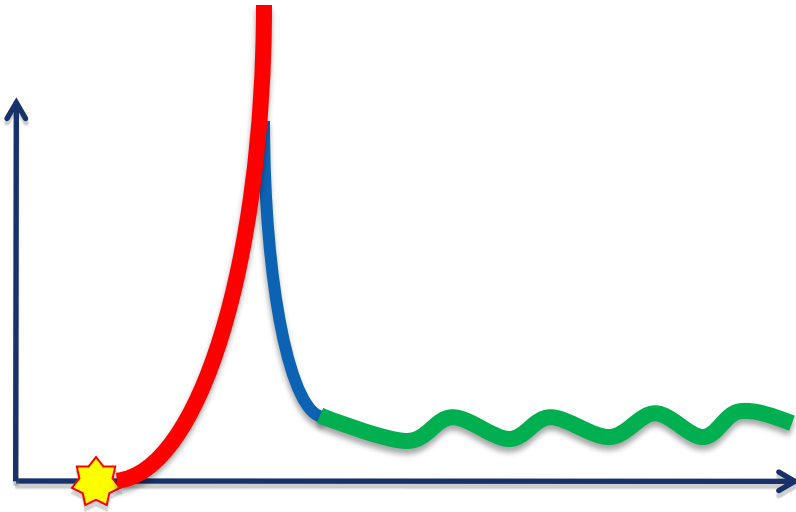
- Too-Cheap-to-Meter Nuclear Power
- Wankel (et al) Engines
- Hydrogen Economy
- Fuel Cell Vehicles
- Distributed Generation
- Utility Deregulation

● Present

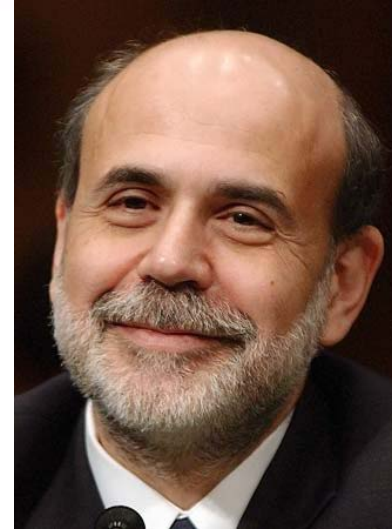
- Corn Ethanol
- Commodity Solar
- Home Energy Management Software
- Plug-In Vehicles
- There will be more!

Concentrate on the Big Picture!

Financing in our New Economic Reality



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Socialism?
Wall Street Moves to Washington?
The Next Great Depression?
The Next Great Expansion?
The Green Energy Revolution?
All of the Above?

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High Technology



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Please send us your Business Plans!

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