

CAPITAL FORMATION

Access to capital by companies and projects is critical for economic development.

Issue: Colorado is representative of an economy where Cleantech can flourish, but capital formation is at the heart of technology commercialization, growth company viability, project finance and construction of manufacturing facilities. The state has a well-educated, technology centric workforce and a high concentration of experienced entrepreneurs. However, considerable effort is required to adapt the existing workforce and capital formation infrastructure in the State to exploit our emerging Cleantech Epicenter. Fundamental in this approach are mechanisms that help reduce the risk of early stage technology and thereby help create receptive private funding sources. As the number of cleantech inventions grows, Colorado's universities need to scale up their technology maturation (also called proof of concept) programs for cleantech and business incubation programs.

Importance to the Colorado Cleantech Epicenter: The Colorado cleantech economy is characterized by robust research activities, start-up, emerging and mid-market companies, and large companies considering/developing clean energy projects, manufacturing facilities and/or relocating their North American headquarters to Colorado. The programs proposed in this document are well aligned to the needs of these companies and, therefore, the economic development of this Cleantech Epicenter. The business infrastructure, universities, national labs (led by NREL) and citizens are involved in the transition to a rapidly growing cleantech economy as exemplified by the State being the first to pass a constitutional amendment for a renewable portfolio standard, ConocoPhillips choosing to locate its new world-wide training and renewable energy research campus here, and leading smart grid programs that are underway.

Federal Opportunities and Programs: For the Colorado Cleantech Epicenter to grow and to address national needs, capital availability issues can be mitigated if the federal government:

- Provides \$3 million (over 2 yrs) to match \$1:\$1 funding from our research universities/State for proof of concept grants, which orient completed research toward market applications.
- Fully funds the SBIR/STTR programs for clean energy and cleantech at US DOE, DOC and other applicable agencies to help early-stage companies to their first venture funding round.
- Includes cleantech manufacturing plants in all facilities grants, loan programs and future policy actions – to accelerate creation of manufacturing jobs and to keep such jobs in the US.
- Creates a \$1:\$1 match to the private resources available from cleantech venture funds.
- Modifies the US DOE loan guarantee programs (prior and new) from a public to a private program that allows member banks to handle the credit approval and administration of loans similar to the programs that currently exist with the Export-Import Bank.

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