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'Green' energy firms get tips on how to help industry grow

By Clint Swett - Bee Staff Writer

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While the Sacramento region has many basic ingredients to become a hub for the "green" energy movement, success will depend upon expanding access to investment capital, streamlining government regulations and mustering broad government support, industry veterans told attendees at a Davis conference Thursday.

A procession of speakers at the Sacramento Region Clean Energy Showcase on the UC Davis campus praised the region's exuberant entrepreneurs and their collaboration with researchers at local universities. It's estimated that roughly 80 regional companies are now focusing on clean energy products.

The public, increasingly aware of global warming issues, is ready to embrace and pay for solutions to environmental problems, experts told 300 attendees. Now it's up to local governments and businesses to adopt the technology fostered in the area, said Ben Finkelor, program manager of the UC Davis Energy Efficiency Center, which focuses on bringing energy technologies to the marketplace.

Still, there is some progress along those lines. Rocklin, Loomis and Roseville have adopted resolutions committing their city governments to increasing the use of green energy products.

Local venture capital firms have made significant investments in the region's green technology companies. Folsom-based Velocity Venture Capital, for instance, has partnered in funding three local companies to the tune of \$7 million in the past year, said Jack Crawford Jr., a general partner in the investment firm.

"It takes a lot of money for research and development and a lot more for demonstration projects and implementation," said Dennis Schuetzle, president of the Renewable Energy Institute International in Roseville.

"We trail the Bay Area in how much funding is available," said Jacob Jorgensen, a Velocity Ventures partner, who estimated that Sacramento VCs have only about 5 percent of the capital that their Bay Area brethren receive. "Success begets success. You have to start small and work toward building companies here."

Even as entrepreneurs chase capital, they must also attempt to persuade regulators to give new ideas a try. In the building industry particularly, business owners say, the rules have not kept up with advances in green tech construction.

"Anytime we do anything new in the construction process, it's a challenge," said Jim Bayless, president of Roseville-based Treasure Homes, which specializes in building solar-equipped homes. "Regulatory bodies and inspectors tend to be resistant to change."

Tom Tenge, a sales executive with office developer Business Central, estimated that his new project in El Dorado Hills will take a month longer to get approval than it normally would because of energy-saving features.

"Anytime you are outside the box, it takes more time," he said. "And we're always outside the box."

Tenge also noted that lenders are often reluctant to finance the extra costs that a green project might entail. In his latest project, for instance, he said some modest energy-saving features will add about \$1 million to the \$18 million price tag.

"While (lenders) say they are thinking about green, this is the green they are really thinking about," he said, holding up a dollar bill.

Still, the speakers said the region enjoys some significant advantages in its efforts to become Green Acres to the Bay Area's Silicon Valley:

- The University of California, Davis, and California State University, Sacramento, provide significant intellectual and research horsepower.
- As the state capital, Sacramento is at the center of major policy initiatives to combat global warming.
- Green tech encompasses a broad variety of industries, ranging from agriculture to construction to computer technology -- all areas well-represented in the region.
- And finally, there is little hope that the price of traditional energy sources, such as fossil fuel, will decline significantly, meaning alternative energy has a bright future.

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