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Raising Finance for Green Business

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Building Green Economies – where we are now?

- Despite a shift towards post-industrial consumer-led service economies our societies remain energy and resource hungry
- Carbon footprints far exceed the proportion of the world's population based in our countries
- but green solutions are rarely economically viable on a stand-alone basis
- The role of regulation and government is crucial in promoting a green economy (although consumer power can be significant)
- e.g. EU aims to achieve at least 20% of energy mix from renewable resources by 2020 and there are a wide array of feed-in tariffs, subsidies, carbon trading schemes etc



Sectors

- Clean/renewable power
 - Wind (On and Off-shore)
 - Solar
 - Geothermal
 - Wave?
 - Hydro?
 - Nuclear ?!?
- Clean Transport
 - Electric vehicles
 - Biofuels ?
- Energy Efficiency and demand management
 - Smart metering
 - Insulation
- Waste management and recovering energy from Waste
 - Waste reduction
 - Waste recycling
 - Waste to energy



Where to find investment (other than accessing subsidy)

- Look in your piggy banks
- Friends and family
- Venture Capital
- Banks
- Industry Majors
- Family Offices
- Funds, Infrastructure Funds and Capital Markets
- Euronext, LSE, AIM etc



Are Green businesses different and why is it so hard to make progress?

- Super tankers and Moon rockets!
- The Valley of Death
 - Displacing existing solutions
 - Competing standards/solutions – Betamax and HD-DVD
 - Scalable solutions
- Nimbyism
- Lacking infrastructure
- Training, knowledge, education and support
- So many projects are pilot projects e.g. carbon capture, wave technology and arguably offshore wind



What would make investors happy?

- Policy stability and predictability
- Adequate comfort on typical VC concerns in areas of control, management incentivisation and how to exit an investment
- Suitable investment scale
- Better rates of return
- Swifter planning regimes
- More subsidy
- More liquid markets!



SME engagement in the Green Agenda

Many and very varied but maybe includes:

- Inventing/developing new technology or techniques and exploiting them
- Developing renewable energy projects
- Rolling out retrofitting of properties
- Trading renewables certificates/emissions credits
- Advisory work
- Etc etc



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QUESTIONS?