

HEALTHCARE Buyouts meet biotech page 42  
Inverness goes shopping page 48 Playing Medicare page 51  
3Com page 14 Pipeline page 16 Northern Rock page 19 Clear Channel page 31

# The Deal

VOICE OF THE DEAL ECONOMY

February 25 - MARCH 2, 2008



## Temasek rising

Over the last three decades, the Singaporean Sovereign wealth fund has spread through Asia and to the West. Now it confronts a wary world page 36

#BXNMXRZ \*\*\*\*\*SCH 5-DIGIT 95630



#0413601/CB/9# STD 413601 CONT 000/002

JACK CRAWFORD 0322

VELOCITY VENTURE CAPITAL, LL

STE 100

101 PARKSHORE DR

FOLSOM CA. 95630-4726

040091

## Air apparent

*A startup pins hopes on windy city, and declining costs smooth path for renewable energy*

EDITED BY ALAIN SHERTER

THE WINDMILLS MADE BY MARQUISS WIND POWER hardly resemble those graceful towering wind turbines that you can see from the highway in some of the country's wide open spaces, like the plains of Texas and California's Altamont Pass.

That's because the equipment Marquiss makes is designed to generate wind power in crowded urban areas, which today remains an untapped market for the wind power industry.

City dwellers in Chicago or Manhattan have long understood the power of urban wind, which seems to intensify as it is channeled between skyscrapers. Marquiss, which last month raised \$1.3 million in funding from Velocity Venture Capital of Folsom, Calif., and Strategis Early Ventures of El Dorado Hills, Calif., wants to harness that wind with a new product it calls the "ducted turbine," which is built with flaps enabling it to capture more wind from different directions. Since wind speed typically accelerates as it moves up the side of a building and over the top, Marquiss' turbines are designed to sit on building rooftops.

"What intrigued us about this company is that there seemed to be a paradigm shift from large wind farms," says Velocity general partner Jack Crawford Jr.

Although wind farms are a fast-growing source of power—U.S. wind capacity grew 45% last year alone—there are some problems with wind farms located in windy, but remote, parts of the country, since it can be costly to transmit that power to urban centers.

Folsom-based Marquiss champions a concept of "distributed wind generation" in which a collection of smaller turbines are placed throughout a city. The company is particularly interested in targeting owner-operated buildings, such as hospitals, casinos, data centers and supermarkets, which have 24-hour power requirements. It says its ducted wind turbines will provide a return on investment in two to seven years. —*Andrea Orr*



Marquiss turbine a new take on the windmill

Ira Ehrenpreis, a general partner with venture capital firm Technology Partners, opened his welcome at a recent clean technology summit in Palm Springs, Calif., by declaring that there is no trade-off between pursuing environmental goals and financial returns. That's certainly truer today than four years ago, when traditional energy source prices were beginning to creep up but still rendered solar and even pre-inflated corn ethanol costs uncompetitive.

This time around, a flattening of inflated commodity costs for traditional and alternative energy sources and declining costs for true renewables such as solar and wind power present a much clearer, more upbeat, view of the future for cleantech.

Ehrenpreis, who leads Technology Partners' cleantech investment practice, cited six key drivers for the industry: public interest, political support, sector diversity, global applicability, corporate interest and exit opportunities. Noting that "2006 was the year that cleantech crossed from a movement to a market," Ehrenpreis further posited that 2007 was the year "the market got to critical mass."

Indeed, that's what attendees at the International Business Forum event came to find out. Inclusion of discussions of cleaner coal and nuclear power suggest that the cleantech industry is not entirely turning its back on what many believe are critical non-green technologies.

Elsewhere at the show, Tesla Motors Inc. chairman and tech entrepreneur Elon Musk took the stage before nearly all 600 conference participants to state his belief that space travel is a more important issue than cleantech in facing up to climate change. But in the meantime he is devoting much of his attention to Tesla, maker of a ballyhooed electric sports car; SolarCity, a solar power integration startup he chairs; and Space Exploration Technologies Corp., or SpaceX.

SpaceX of Hawthorne, Calif., was the first company Musk bankrolled with his huge payout from selling PayPal to eBay Inc. in 2002, relocating from the Bay Area to Southern California five years ago to take advantage of a talent pool in the highest concentration of aeronautics engineers in the world. That venture was widely ridiculed at the time, but SpaceX turned a profit last year, largely on contracts with NASA, and has had two test launches of its Falcon rocket. ■ —*Clifford Carlsen*