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## Keiretsu cleantech contenders

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If you're looking for investors for your cleantech company, consider presenting to the sort of people willing to pay \$1,000 for a bottle of wine.

More than 200 wealthy personal investors (including one who indeed paid \$1,100 for vino at auction during one of the breaks) gathered in San Francisco today to listen to pitches from companies across a variety of sectors, including cleantech.

Organized by the Keiretsu Forum, the event was an opportunity for wealthy angels to hobnob, learn about emerging companies, ask hard questions and even sign expressions of interest in funding, right there, on the spot.

The Keiretsu Forum began focusing on cleantech in January under the direction of member Jonathan Bonnano. Today's session featured presentations from the first five companies to pass the organization's filters and be presented to members as potential investment opportunities.

**Agricultural Waste Solutions (AWS)** - AWS used the event to launch itself, announcing a new waste-to-energy system that converts agricultural manure into useable products.

According to CFO Richard Abruscato, manure entering the system comes out as 95% methane and 5% ash.

Open lagoons and mountainous piles of manure generated by hogs, cattle and chickens are a primary contributor to greenhouse gas emissions.

Abruscato said the company sees such opportunity in manure conversion that it's only selling equipment to projects in which it can take an ownership interest so as to participate in upside.

"We're not just selling chunks of metal," he said.

AWS' chunks of metal are technically devices made by other companies, for which Abruscato says his company has obtained the exclusive licenses for the agriculture industry.

**Porous Power** - Colorado-based Porous Power has developed a new ultraporous polymer material for separating the electrodes of lithium ion batteries. The innovation allows batteries to charge up to 50% faster, provide up to three times more high rate capacity and double their cycle life, the company claims.

Porous' innovation is based on work by co-founder Kirby Beard, who originally pursued the technique years ago at Bellcore (Telcordia).

"We have a cast process that starts with a polymer material and a solvent and a proprietary forming

material. We mix them together, and evaporate off the solvent and end up with a very porous membrane," said Tim Feaver, president and CEO, to Inside Greentech.

Competitors start with a polymer and stretch it, deforming about half of the material, which needs to be discarded. Porous Power's process promises to be more efficient and less costly, said Feaver.

The company says it's working with most of the major lithium ion battery makers in the U.S., is currently in pilot scale production and plans to starting trials of large-scale manufacturing processes next month.

**Propel Biofuels** - Propel, based in Seattle, plans to build, own and operate retail biodiesel dispensing units at gas stations around the U.S., at no cost to gas station owners.

Beginning in Western states, Propel plans to offer gas stations the equivalent of a "power purchase agreement," installing biodiesel pumps for free and then collecting a percentage of revenues.

CEO David O'Neal said it's easier than one might think to install the company's dispensers at conventional gas stations.

"Gas station owners are fragmented. Ninety-five percent of them are independent operators, not company owned. Their contracts say you can install anything outside of the canopy," said David O'Neal, CEO.

The company has held pilots at three gas stations in Seattle, has received some initial money (and a biodiesel supply agreement from) Seattle-based biodiesel maker [Imperium Renewables](#), and is now in the process of building five production dispensing units, which it believes will generate \$1m in annual revenue each.

**Modius** - Oakland, California's Modius is a software company aiming to monitor and manage data center power usage.

The company claims ten blue chip customers use its software to help forecast their scalability needs, and reduce their data center energy expenditures, something that is unlikely to happen today.

"The guy who owns the power, who pays for the power, doesn't know the IT assets and isn't responsible for IT performance. We're giving those two groups a common framework for managing actual costs," said Craig Compiano, CEO, to Inside Greentech.

Modius claims its software is smart enough to know if servers are powered up but not being utilized (allowing for them to be powered down), and can also help schedule CPU and power intensive work for non-peak hours to take advantage of lower power rates.

Modius wins our award for offhandedly tossing around the best acronym of the event: CRAC, sending at least one reporter off to his web browser for a definition ('computer room air conditioning,' didn't you know?!)

**Earth Class Mail** - The least obvious of the cleantech plays at today's event, but the one investors identified as the most promising in an informal competition, was a company that wants to drastically reduce the amount of mail in the world.

Formerly called Document Command, Earth Class Mail has its origins as a Commercial Mail Receiving Agency (CMRA) that scans incoming mail for customers, who can then decide through a web-based interface whether they want to receive the mail, or have it recycled by the company.

What got investors excited today were the company's plans for the future. In the process of scaling up its mail service for use by a "Fortune 100 company" that's considering it for its 60,000 employees, Earth Class started visualizing its technology's applicability for reducing labor, power and real estate costs for postal services around the world.

The end game, CEO Ron Wiener told Inside Greentech, is a role in improving, but ultimately disintermediating, traditional printed direct mail, supplanting it with electronic multimedia as marketing of the future.

Earth Class talks bold talk. But with former postal executives and direct marketing heavy hitters now on its board, investors at the event seemed to see visions of huge multiples.

Since September 2000, the Keiretsu Forum—host of the day's event—has invested more than \$130m in 145 companies.

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