

## Taxis To Go Hybrid

### ***Cleantech Innovation Institute develops hybrid program, CalPERS commits \$400 million to cleantech, and San Francisco announcement expected.***

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**By Jennifer Kho**

The Cleantech Venture Network said Wednesday it is working to convert taxis to hybrids, in a move that it says could save \$50 billion in fuel costs over a decade and slash smog in cities.

The network on Wednesday launched the Cleantech Innovation Institute to work on projects such as this one. Jim Harris, a managing partner for the institute, said the goal is to solve problems that require more than one industry to work together.

"We're doing something that doesn't require government subsidies or special favors, that's cash-flow positive, and that's creating benefits for all involved," he said. "It's frustrating it hasn't happened already."

North America has 196,000 taxis, which drive an average of 10 times more than regular passenger cars. "They are the largest contributors to smog in our cities," Mr. Harris said, adding one of every five children in Toronto develop asthma before becoming adults because of air quality problems.

Switching cabs to hybrids will save cab drivers an average of \$1,200 to \$1,500 per month on fuel, he said.

Of course, it won't lead to the first taxi hybrids. New York and San Francisco both announced hybrid taxi programs last year.

But if it's so cost-effective, why aren't more taxis already hybrids? One of the problems is the upfront cost. Leasing companies don't generally lease to taxi companies or fleet owners because they drive too many miles, Mr. Harris said.

The institute is in discussions with GE Finance to try to negotiate this leasing at a higher cost, but one that would still bring car drivers a return on their investment. Mr. Harris said the institute is also in discussions with Toyota and the mayors of four cities—San Francisco, New York, London, and Toronto, to try to switch the cabs in those cities over to hybrids.

The institute plans to pin down partnerships and formally launch the program at a conference in May in Frankfurt, Germany, and hopes to get the leasing program up and running this year, Mr. Harris said.

The announcement wasn't the only boost for cleantech Wednesday. The California Public Employees' Retirement System (CalPERS) also announced it will commit \$400 million to a private equity fund focusing on clean energy and technology investments, with another \$400 million going to a fund for global emerging markets.

The investments will be managed by specialized teams within the Pacific Corporate Group.

Mr. Harris called the news "wonderful." In a study the Cleantech Venture Network did with the Natural Resources Defense Council and Environmental Entrepreneurs, it found that every \$100 million of venture capital invested in cleantech results in 2,700 direct jobs, and \$500 million in spin-off activity over the next 20 years, he said.



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"This is another example of why cleantech as an investment category was up 78 percent in '06 over '05," he said, pointing to news earlier this month that BP was investing \$500-million in biofuels research, through a partnership with the University of California at Berkeley, and that Wal-Mart also was investing \$500 million in sustainability. "This is going to ensure this growth continues."

Also on Wednesday, the angel network the Keiretsu Forum launched a cleantech investment committee to evaluate cleantech startups for its members, according to Jonathan Bonanno, who is chairing the committee. The committee will partner with the Cleantech Venture Network to help find and evaluate the companies, he said.

Finally, San Francisco Mayor Gavin Newsom is expected to announce a citywide cleantech initiative at a reception at the Cleantech Venture Forum on Wednesday evening.

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