

THE ROLE OF PRIVATE EQUITY INVESTMENT IN FOSTERING GREEN CRA DEVELOPMENT

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Going Green: Incorporating Environmental Principles
Into Community Development Projects

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Points to Cover

- The Green Investment Opportunity
 - Why CRA is a good fit
- Green CRA Venture Capital
 - The Bay Area Equity Fund
 - The California Equity Fund
- Green Collar Workforce Training
- Going Forward
 - Integrating public and private investment efforts to foster green economic growth and further CRA goals

The Green CRA Investment Opportunity

- Multi-billion dollar markets
- Double digit, triple digit growth rates
- LMI energy efficiency and solar installations
- Green collar job creation and workforce training
- Enterprise Zone development through green manufacturing

Growth of Solar PV Panel Market in Southwestern U.S.

Note: Natural Average Growth Rate in 2008 is 35%

STATE	2007	2008
CA	97%-200%	155%
Nevada	14.6%-24.6%	68%
Colorado	13%-23%	77%
Arizona	21%-41%	95%

Source: Photon International

The Result

- 8.5 million jobs in Renewable Energy and Energy Efficiency in the U.S.
- 3-5 million more over the next 10 years

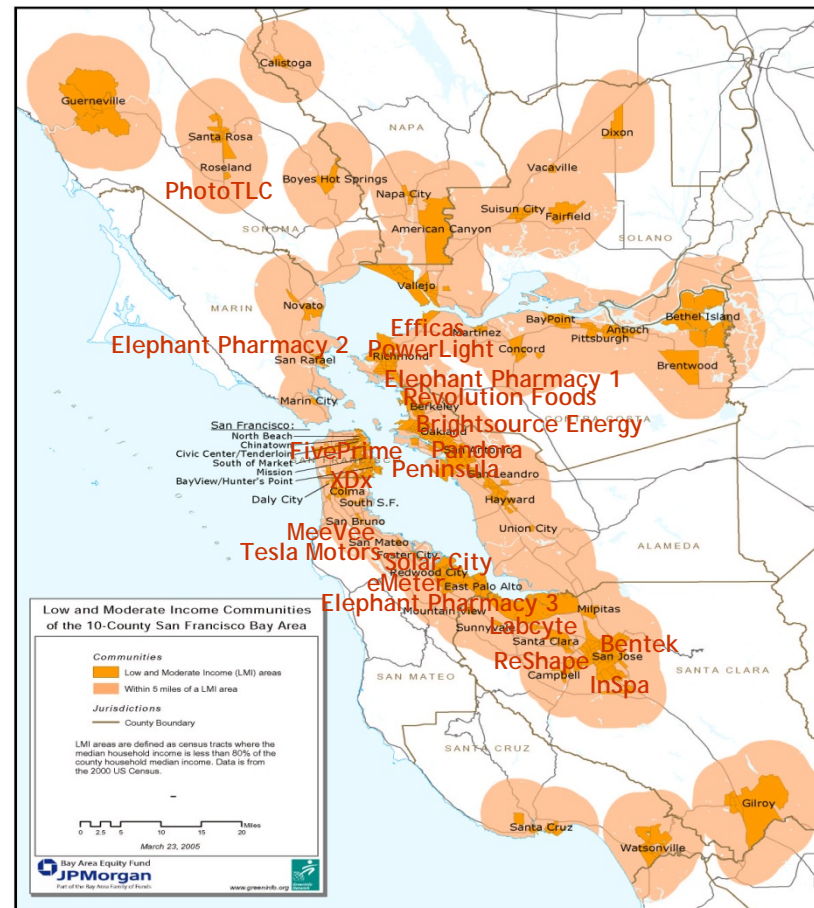
How Green CRA Venture Capital Funds Help Create These Jobs

- A. Investing in small companies that create new green products or services
 - Hiring and training as these companies grow
- B. Investing in small companies in a variety of sectors and helping to green their business model
 - this expands the market for green products and services
 - helps build market by branding green offerings to the consumer

The Bay Area Equity Fund

- \$75 million double-bottom-line private equity fund, managed by DBL Investors
- Investment focus on regional strengths
 - Clean Technology
 - Health Care including Biotechnology and Health and Wellness
 - Information Technology including Digital Media
 - Specialty Consumer Products and Services
- Focus is to achieve market-rate venture capital returns while driving social, economic, and environmental improvement in the Bay Area
- Invests in private companies in the 10-county Bay Area which are located in or near low- to moderate-income neighborhoods

The Bay Area Equity Fund



BAEF I Investment Portfolio

Clean Technology



Health Care



Specialty Consumer Products/Services



Information Technology





- PowerLight is a global provider of large-scale solar power systems having deployed hundreds of photovoltaic systems with a total capacity of over 100 megawatts over the past 10 years
- PowerLight is the leading installer of large solar power systems in North America and has installed some of the world's largest solar power systems in Germany, Spain, Portugal, Italy and Korea
- Acquired by SunPower in January 2007 for \$332.5 million in cash and stock
- Relocated operations to an enterprise zone in Richmond CA
- SunPower is expanding its activities with Habitat for Humanity by leveraging PowerLight's relationship with GRID Alternatives, a solar-focused not-for-profit, to add solar power to Habitat for Humanity homes



- Installer of residential and small commercial solar power systems; Trusted brand in an industry dominated by small contractors as a high-quality, reasonable-cost solution
- \$29MM in revenue for 2007: first full year of operations
- Strong value proposition to customers who have high electricity bills: 10-15% IRR and 8-12 year payback
- Innovative marketing strategy: 10-15% discounts to groups of self-assembling homeowners
- BAEF I invested \$0.75MM in Series B: April 2007. Invested an additional \$3.3MM at the time of the Series C: August 2007 at a 4.0x mark-up over Series B.
- Community focus: "PV on a Stick" at Oakland Zoo, local schools; solar matching program with Project Open Hand
- Strong job creation: 75 employees in April 2007 growing to over 200 by the end of 2007. Half of employees are entry level workers who make \$13-23/hour and receive training, benefits, options and opportunities for advancement.
- Working with regional Economic Development agencies to pioneer "green collar" training program; future headquarters to be in an Enterprise Zone





TESLA MOTORS



- Manufactures high-performance, highly energy efficient, battery-powered electric cars
- BAEF I initially invested \$2.5MM in Series C round: May 2006, co-investors include Vantage Point and DFJ. BAEF I invested \$1.5MM in Series D round: May 2007 at a 2.1x mark-up over Series C.
- High-profile media launch in July 2006 followed by sustained, highly favorable media attention. Over 600 cars pre-sold, nearly all pre-paid.
- In final stages of safety and compliance testing for delivery of first cars in early 2008
- BAEF I was instrumental in helping Tesla find sites and maximize incentives for locating factory for 2nd car model (factory will create 400 assembly jobs)
- BAEF I improved Tesla's application for \$1MM in CARB grant by obtaining letter of support from CalCEF; helped Tesla obtain federal loan guarantee for \$160MM+
- Projected exit: IPO in early 2009

BrightSource ENERGY

Luz II, Limited - A Wholly-Owned Subsidiary

Luz II Solar Receiver Array (SRA)



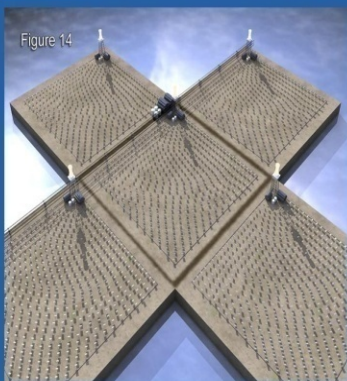
LUZ II

(Proprietary and Confidential) Slide 12



Multiple Inter-Connected SPCs

Figure 14



LUZ

(Proprietary and Confidential) Slide 18



- Builder and operator of large scale renewable power plants for industrial and utility customers in the United States.
- Energy generation is based on solar-thermal created steam supplemented with gas, providing more stable and more profitable power generation than other types of renewable energy
- BAEF I initially invested \$0.735MM in Series A: Jan 2007, co-investors: Vantage Point Ventures, Draper Fisher Jurvetson, Chevron. BAEF invested \$0.438MM in Series B: May 2007 at a 2.0x mark-up to the Series A round led by Morgan Stanley.
- Major Utility recently approved 500MW of PPAs with 400MW in add-ons. Fast track progress with other major utilities.
- Management team and technical expertise from Luz, with new CEO seasoned in Clean Technology
- Driving the adoption of a non-polluting, renewable energy source. Will create hundreds of entry-level, project-related jobs by 2010



- Big box health & wellness pharmacy that integrates expertise in traditional and natural remedies with a high-end retail experience
- BAEF invested a total of \$5MM from May 2004 to date, co-investors include CVS Corp. and Tudor Investment Management
- Four locations: Berkeley, San Raphael, Los Altos and Walnut Creek. The Walnut Creek store, opened in Aug 2007, is the first drug store in the country to be LEED certified.
- Mature store is generating revenue of over \$1400/sq ft and over \$1MM four wall contribution
- Created over 60 new entry-level jobs with each location, hosting hundreds of free classes on health & wellness for the community, green design and sustainable materials incorporated into each store

The California Equity Fund

- Continues double-bottom-line investing strategy of BAEF
- To be raised in 2008
- Larger size, statewide focus

Green Collar Work Force Training

- Training is Key to Cleantech Industry's Growth
- Funding opportunity for:
 - CRA programs
 - Foundations
 - Not-for-Profits
 - PUC's
 - Utilities
 - etc.

Solar City Example

- Based in Foster City, CA
- Community-oriented installer of solar energy
- 240 jobs created in less than 2 years
- Entry level is \$15/hour: all employees get stock options
- \$29 million in first full-year revenues

Solar City Community College Program

- Skyline Community College
- Jointly developed curriculum for introductory course on solar installation "Solar 101"
- 6 week course, \$800
- Grants available to subsidize tuition for students who have need

Solar City Training Institute

- For more advanced, proprietary, career-oriented, on-the-job Solar Training
- Working with San Francisco Mayor's Office to site in Hunter's Point Enterprise Zone
- Benefits to Solar City:
 - Rent offsets
 - Wage subsidies for employees from local area
 - In-kind rent payments
 - Status as SF Employer helps get SF business
 - Helps Solar City meet workforce goals of over 80 new installers in 2008
- Benefits to SF:
 - Hunters Point improvement
 - Tax revenues
 - Jobs
 - "Green" dimension to Hunters Point's future

CRA Opportunities in Green Collar Training

- Facilities loans
- Community college grants
- Enterprise zone related investment
- Wage/tuition subsidies through not-for-profits
 - Apollo Alliance
 - GRID Alternatives
 - Ella Baker Center
 - And others

NEW PARTNERSHIPS ... GREEN RESULTS

