

Xtreme Power energizes with funding

Startup in Kyle closes on additional \$5M

Austin Business Journal - by [Christopher Calnan](#) ABJ Staff



Xtreme Power Inc. has collected a \$5 million round of funding that executives said will enable the company to complete projects in development so it can attract additional customers and investors next year.

The Kyle-based power system developer, which was founded in 2004, has several projects in the pipeline, including a wind power generating farm in Hawaii. The projects, fueled by the additional investment, are expected to be a prelude to rapid adoption starting next year, Chief Financial Officer Michael Breen said.

“We’re in execution mode,” he said. “This slug of capital is not that big of an event for us.”

Xtreme develops batteries, electronics and control systems comprising hardware and software. Its initial projects involve storing electricity generated by wind turbines.

The Series B financing, from California-based Sail Venture Partners, increases the total capital raised by Xtreme Power to more than \$20 million, Breen said.

Investment in companies developing what’s called clean technology is rising rapidly. During 2008, U.S. cleantech firms attracted \$4.95 billion in venture capital compared with \$2.92 billion in 2007 and \$1.52 billion in 2006, according to Dow Jones VentureSource.

In 2007, Xtreme Power received a \$2 million grant from the Texas Emerging Technology Fund that Breen considers to be the company’s Series A round of financing.

Earlier this year, it was one of several local companies that joined The National Alliance for Advanced Transportation Battery Cell Manufacture. That group was established in mid-December and has been lobbying for federal funding to help U.S. companies compete with Asian battery makers that have led the way in producing batteries used in hybrid vehicles. Although Austin was a prospective location, the group eventually selected Kentucky as its location proposed to the Department of Energy.

Xtreme Power investor and board member Thomas Cain, managing partner of Sail Venture, said the company’s batteries are so efficient that one day they’ll be used to recharge the lighter lithium-ion batteries that are being developed to power future vehicles.

Xtreme Power’s batteries, which are recyclable, also solve several problems such as making power grids more efficient, he said.

“We believe it has a role in freeing the world from oil dependence,” Cain said.

Breen said Xtreme Power's charge is to develop systems able to generate electricity that can contribute power at peak demand hours. Xtreme Power endeavors to overcome the inconsistency of wind-generated power through technology.

"We deliver turnkey power systems," Breen said. "But they're all based on storage."

Others develop various parts of what Xtreme Power develops, but none offer the complete package, which means the company has no direct competitors, he said.

CEO Carlos Coe said market acceptance of new technologies and the amount of capital needed to build its projects are the company's two biggest obstacles to growth.

"Cleantech is strategic to this country," he said. "We are an essential part of that. I think the wheels that have been put in motion will continue to accelerate."

Xtreme Power Inc.

What it does: Makes power storage systems

Location: Kyle

Founded: 2004

Employees: 100

CEO: Carlos Coe

Venture capital collected: \$20M

Web site: www.xtremepowersolutions.com