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**Year in Review: SAIL Financings**

In 2012, SAIL Capital Partners continued to add value to its portfolio companies through a series of follow-on financings. Nine portfolio companies were funded with an aggregate of \$23.3M from SAIL Capital Partners. Co-investors contributed another \$195M to the portfolio companies, with SAIL securing over \$10M of that amount. In addition, SAIL led the rounds for Enerpulse and SNTech and brought in a new investor for Xtreme Power. Its investment in Flex Power Generation helped create the company in its split from FlexEnergy.

There were a total of 24 transactions in 2012, which amounted to \$218.3M for SAIL's portfolio companies.

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**Flex Powerstation™ Exceeds Strictest Emission Standards**



**Flex Power is a SAIL II portfolio company**

Flex Powerstation™ is celebrating the success of a recent third party emissions test. Conducted at the US Department of Defense's Fort Benning Army post, the analysis confirmed that Flex Powerstation exceeds the strictest nitrogen oxides (NOx) emissions standards. In fact, the Powerstation emitted less than 5% of California Air

Resources Board's (CARB) 2013 allowable limit. The CARB 2013 is considered among the strictest in the world, making this feat even more impressive.

The Flex Powerstation is the only turbine that offers energy generation and pollution control. It converts previously wasted landfill gas into 250kW of renewable energy, which can power 250 homes

with near-zero emissions of NOx. These results are unprecedented for a turbine or reciprocating engine running on waste gas, and are reducing the Army's carbon footprint and bottom line.

**Special Point of Interest:**



## Cleantech Goes Social

The Cleantech Group is a SAIL I & II portfolio company

One of the cleantech industry's leading intelligence firms has joined forces with Facebook to offer a cash prize for an idea that will help promote clean energy and sustainability on the social network.

With 'Cleantech Goes Social,' the contest aims to harness the power of the cleanweb and Facebook's billion-person network to accelerate cleantech adoption and engage the public on sustainability issues. Contestants will be asked to submit concept pitches for products, applications, or services that use Facebook to advance the adoption of renewable technologies, engage people

on resource and energy issues, and promote environmental sustainability.

The winning submission will be awarded a \$25,000 prize and receive personalized guidance from Cleantech Group and Facebook on further development of the concept. The winner will be chosen from three finalists at Cleantech Forum San Francisco 2013, where they will get free tickets and the opportunity to pitch to a panel of investors.

"There's no shortage of new, clean technology addressing the world's increasingly critical energy and resource challenges," said Sheeraz Haji, CEO of Cleantech Group. "However, engaging the public on these issues and bringing

these technologies into people's homes and businesses at scale have remained elusive goals. Facebook, which connects more than a billion people around the world, provides developers with an unparalleled opportunity to address this adoption challenge."

Please email any questions to [socialcontest@cleantech.com](mailto:socialcontest@cleantech.com)



## Dow Kokam LLC Helps Unveil First Urban Energy Storage System



Dow Kokam is a SAIL II Portfolio Company

Dow Kokam, as part of a consortium led by eCAMION Inc., has unveiled the first energy storage system installed directly into an urban community. Located in Toronto, this community energy storage (CES) system will help alleviate stress on the grid during peak times and provide power to homes in the event of a power interruption from the station. The unit

provides 250kWh/500kW of storage and has the capacity to power a house for nine days. As the President and CEO of SDTC, a funder of the project, said, "This project is an excellent illustration of how a clean technology can make a real difference in the day-to-day lives of Canadians. Innovations like this one will one day extend the viability of electricity grids around the world."

## Goldman Leading Renewable Offerings Says Slump is Ending

Goldman Sachs Group Inc. (GS), the top arranger for renewable-energy stock offerings last year, is accelerating its funding efforts as it anticipates a rebound in an industry that has slumped every year since 2009.

Goldman overtook Morgan Stanley as the biggest lead manager for share offerings with three deals valued at \$405.6 million,

according to an annual ranking by Bloomberg New Energy Finance.

The investment bank is backing renewable energy and expects that it will gain favor in an inevitable global shift. That's why short-term volatility will be trumped by long-term gains as emerging technologies first become commonplace and then become indispensable,

according to Stuart Bernstein, the Goldman partner overseeing its renewables unit.

"It feels like the worst is behind us," Bernstein said in an interview from his office in San Francisco. "I'm a contrarian, so when everyone else is capitulating, I think it's time to invest."

## Xtreme Power Celebrates Best Quarter Yet with Four New Projects

Xtreme Power is a SAIL I & II portfolio company

Xtreme Power, a world leader in real-time power management and energy storage solutions, boasts its most successful quarter since its founding in 2004 with the completion of four new projects.

In the fourth quarter of 2012, the company reached ~77 MW commissioned and launched a new product line:

- Unveiled its newest product line, the RPM, for use in the PJM frequency regulation market alongside Invenenergy's Grand Ridge Wind facility.
- Entered new territory in Alaska with a 3.0 MW system for Kodiak Electric Association.
- Installed two 1.5 MW systems for Kauai Island Utility Cooperative. The new systems are able to communicate with an existing system via a shared fiber optic cable. XP's total installed capacity on the island grid is now 4.5 MW.
- Installed its largest energy storage system to date in conjunction with Duke Energy's Notrees Wind Farm. The 36.0 MW Duke Notrees project operates on the electrical grid in Texas and will deploy fast-acting reserves to support ERCOT grid reliability as well as control the ebbs and flows of power variance.

The fourth quarter projects amount to over 43 MW alone.

"The strong growth we experienced in the past few months can be credited to Xtreme Power's team of top notch, experienced professionals," said Alan Gotcher, Chief Executive Officer of Xtreme Power. "We entered three new, critical markets, illustrating that the need for reliable and cost-efficient energy storage solutions continues to increase. We remain dedicated to offering new services, expanding our product offerings, and capturing a full spectrum of energy storage benefits."



## Prime Minister Announces Plan to Strengthen Venture Capital Investment in Canada

Prime Minister Stephen Harper announced this month the Government's Venture Capital Action Plan to improve access to venture capital financing so that high-growth companies have the capital they need to create jobs and growth.



"Our Government understands that Canada's long-term economic competitiveness in the emerging knowledge economy needs to be driven by globally competitive, high-growth businesses that innovate and create high-

quality jobs," said Prime Minister Harper. "We will provide the resources needed to put Canada's venture capital industry on the path to sustainability and ensure Canada's high-potential firms have the resources they need to succeed."

Recognizing the importance of the venture capital industry to Canada's future productivity growth, Economic Action Plan 2012 announced resources to support Canada's venture capital industry. They include \$400 million to help increase private sector investments in early-stage risk capital, and to support

the creation of large-scale venture capital funds led by the private sector.

This is exciting news for SAIL and its Toronto Office.

**"We will provide the resources needed to put Canada's venture capital industry on the path to sustainability and ensure Canada's high-potential firms have the resources they need to succeed."**



## SAIL News

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### Sources:

Flex Power Generation, Inc  
Electric Light and Power  
The Cleantech Group  
Xtreme Power  
Bloomberg  
Prime Minister of Canada

SAIL Capital Partners ([www.sailcapital.com](http://www.sailcapital.com)) is a leading cleantech investment firm with a global vision of technologies, markets and opportunities. We invest in cleantech companies with proven technologies, visionary leadership, measurable impact and exciting growth potential. We have invested in a number of today's leading cleantech companies including Xtreme Power, Ice Energy, The Cleantech Group, Enerpulse, SNTech, FlexPower, Paragon Airheater Technologies, M2 Renewables, Clean Technology Solutions, CNS Response and WaterHealth International. SAIL has offices in California, Toronto, New Orleans and Washington D.C. as well as a global network of investors and advisors.

## SAIL Welcomes Sarah H. T. Barton to its Team

SAIL is happy to announce a new addition to its team of investment professionals. Sarah Barton joined us this month as an associate and communications manager. Sarah previously interned at SAIL while pursuing her B.A. in Economics and Urban & Environmental Policy at Occidental College, and she is excited to be back after a year abroad in France.

Sarah has an abiding interest in working for social and environmental change and believes in the power of sustainable innovation to cause meaningful impact. Her background in environmental policy and economics gives her important insights into recognizing the potential

profit opportunities present in global market inefficiencies. At SAIL, Sarah manages the SAIL newsletter and other communications with SAIL investors and also assists with selected portfolio investments.

