



Meridian Solar CEO Andrew McCalla, left, and Chief Financial Officer Mark Begert have been able to attract private investors in their company.

NICK SIMONITE | ABJ

INVESTMENT CLIMATE FOR GREEN TECH A MIXED BAG FOR NOW

WILL ANDERSON | STAFF WRITER

Green technology represents a new sector for investors looking to diversify their holdings and contribute to sustainable economics. But just because the multibillion-dollar industry has drawn much media and political attention in recent months doesn't mean investors see green technology as a surefire thing yet.

Although Dow Jones VentureSource reported a 70 percent increase in green technology investments from 2007 to 2008, the first quarter of this year saw the lowest amount invested in three years at \$287 million.

Mark Begert, chief financial officer of Meridian Solar, an Austin-based solar integration company, noticed the change in the business climate immediately. The economic slowdown came just after the company received a multimillion-dollar investment, he said.

"We had to be pretty careful with our uses of capital over the past year, as in near the end of last year and the beginning of this one," Begert said. "We had to be very prudent with our investments."

Begert joined Meridian Solar in 2008 after helping to bring the company its first round of private investment in June of that year. Previously, co-founder and CEO Andrew McCalla had financed most of the business out of his pocket, but Begert brought in a consortium of investors from around the state with traditional energy ties who were willing to take a risk on solar. The results, Begert said, "have been fantastic."

"We feel like we're on much better ground than last year, but we've got a lot left to do," he said. "It's like we're building the airplane as it's flying."

Begert said the company has added 15 employees since

the June 2008 cash infusion.

Some optimism

Begert expects the market for renewable energy in Texas to grow and that the coming years will see a large jump in green technology investments, especially from one area.

"I think investors with a background in traditional energy are increasingly looking at green or renewable energy as an alternative," Bergert said.



Naquin

Michelle Naquin, CEO of the Green Technology Alliance, shares that thought.

"When companies incorporate green tech, they find success," Naquin said. "We have found that they are more likely to come back for second-round funding."

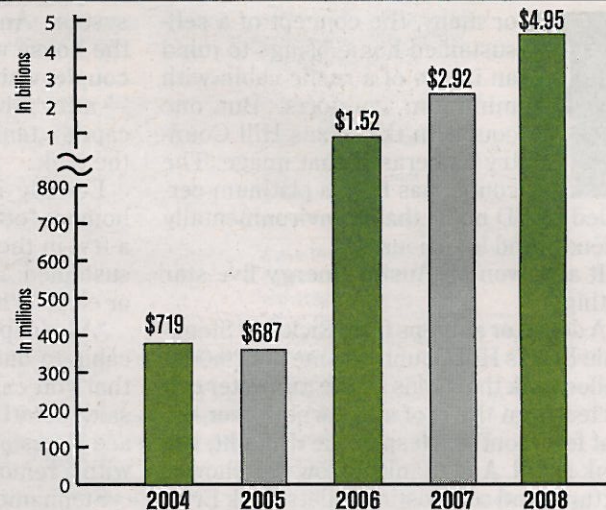
Her company, which was started just last year, looks to aid green technology startups while helping large corporations, such as Microsoft and IBM, become more environmentally friendly. It is this marriage of the two approaches that Naquin said has the best chance of creating a sustainable economy.

Some pessimism

But not everyone feels confident about the level of investment in Central Texas. Dan Vogler, CEO of two Austin green technology startups, said Central Texas venture capital firms are missing out.

"They're late and somewhat behind some of the California funds" in green technology investing, Vogler said.

CLEAN MONEY



Vogler started two green technology companies last year and, despite approaching Austin Ventures, has been unable to find financing within the state. As a result, he has had to approach groups from California and New York.

"Texas firms need to create green technology funds," he said. "I think those funds will be easily sold, not only in the domestic but also in the international marketplace."

One thing that might be holding investors back is the

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