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ENERGY**Power Plays****The latest on alternative-energy deals from Dow Jones Clean Technology Investor**

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Investors Drawn to the Sun

Solar power has been one of the hottest areas of alternative-energy investment in recent weeks, thanks to requirements passed by more states that utilities increase their use of renewable sources of energy.

Sharp Solar Energy Group, for one, is developing a new business with utility customers in mind: power-generation equipment that uses solar-concentration technology, in which lenses focus sunlight more intensely on the photovoltaic cells used to capture the sun's energy.

THE JOURNAL REPORT

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 Venture capitalists are pouring money² into clean-energy companies. Here's an early look at where -- and how -- it's going. Plus, for countries looking to reduce their energy use³, Europe offers some valuable lessons.

• See the complete [Energy](#)⁴ report.

The idea is to capture more energy using less polysilicon, a leading ingredient in photovoltaic cells. Polysilicon prices have soared due to strong demand and limited supply.

Sharp, a unit of Sharp Electronics Corp., has been developing its concentrator product for about two years, says Ron Kenedi, vice president of Sharp Solar Energy,


Huntington Beach, Calif. The company expects to begin commercial sales within four years.

Another company concentrating on utilities is Emcore Corp., which has announced that it plans to supply up to 700 megawatts of concentrating photovoltaic solar panels to privately held solar-project developer SunPeak Solar LLC. Jed Dorsheimer, an analyst with Canacord Adams, an investment bank with headquarters in Vancouver, estimates the partnership might yield up to \$1 billion for Emcore.

Emcore, a semiconductor company in Albuquerque, N.M., has been focusing more on solar business. "Solar is the growth engine of the company," Mr. Dorsheimer says.

SolFocus Inc., Mountain View, Calif., is another firm working on solar concentration. It recently raised \$11.6 million from an unnamed hedge fund to close its latest round of financing with \$63.6

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million. A spin-off, SolFocus Europe Inc., Madrid, is tackling the European market.

All Steamed Up

Investment is also flowing to solar-thermal technology, which uses mirrors to concentrate the sun's rays on fluids, creating steam that turns turbines to generate electricity. Ausra Inc. of Palo Alto, Calif., announced it would build the world's largest manufacturing facility for solar-thermal power systems in Las Vegas. The new facility will supply, among other projects, a power plant to be built in central California by Pacific Gas & Electric Co.

WHAT ELSE IS NEW

Here's a look at other recent deals reported by Clean Technology Investor:

- **Seven Seas Water Corp.**, St. Thomas, Virgin Islands, has attracted \$20 million from investors, including the Virgin Green Fund, for building Caribbean-region desalination plants.
- **Luxim Corp.**, Sunnyvale, Calif., raised \$21 million in Series D venture capital to expand its energy-efficient lighting products beyond its current focus on projection-display devices.
- **ZPower**, a Camarillo, Calif., company developing a silver-zinc battery it says is safer and lasts longer than the lithium ion batteries used in portable electronic devices, is raising \$30 million to launch its technology this summer.

The Las Vegas factory at full capacity is expected to make enough solar collectors each year to produce more than 700 megawatts of electricity, says John O'Donnell, Ausra's executive vice president. "That's twice the annual rate at which the whole industry is building right now," he says.

The sector is experiencing a shortage of steam turbines, but General Electric Co. said it is investing about \$50 million to increase capacity at its steam-turbine unit.

The Power of Waste

In states with limited wind or solar resources, utilities are increasingly turning to biomass, or organic material.

Atlanta-based Biomass Gas & Electric LLC, a developer of biomass-driven power plants, recently signed a 20-year agreement to supply power to Progress Energy Florida, a subsidiary of Raleigh, N.C.-based Progress Energy Inc. The deal comprises a waste-wood-to-energy plant not yet built that is expected to produce 75 megawatts.

"We joke here in the office that [the Southeast] is the OPEC or Saudi Arabia of biomass," says Biomass Chief Executive Officer Glenn Farris.

In some developing nations, garbage can be a strong energy alternative. Masada Resource Group LLC, a privately held Birmingham, Ala., developer of waste-to-energy plants, says it's planning to raise \$60 million to help develop and operate commercial-scale plants in Central and South America.

The Nuclear Option

Hyperion Power Generation Inc. aims to bring to market small-scale nuclear fission devices that would generate power for remote industrial sites. The Los Alamos, N.M.-based company recently raised an undisclosed amount of venture backing from Altira Group LLC, Denver.

The company's chief scientist, Otis Peterson, a former researcher at the Los Alamos National Laboratory, has developed a self-contained system that relies on heat generated by a relatively small reaction to produce 27 megawatts of power for five years. After that, Hyperion says it can "refuel"

the generator at its own facilities.

The company says that because the devices are encased in concrete and buried, the risk of a radiation leak is minimal. Hyperion has yet to obtain a manufacturing license from the U.S. Nuclear Regulatory Commission.

--With reporting by Jonathan Matsey

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