

## Clean-tech 'accelerator' Greenstart opens in S.F.

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-- Greenstart, an "accelerator" to boost fledgling clean-technology companies, opened its reclaimed-wood doors in downtown San Francisco on Tuesday, the first such enterprise in a city that hopes to become a hub for clean tech.

"I love this term accelerator because we don't have time to waste; we need this innovation right now to reduce carbon emissions," said Mayor Ed Lee at a ribbon-cutting ceremony. He hopes Greenstart will help drive economic growth and jobs. "When (Greenstart startups) stay here, those one or two jobs you have now will go into the hundreds as your business models take off," he said, addressing the entrepreneurs from the first cohort of companies.

Greenstart aims to help startups succeed by providing seed funding, resources, mentors, networking opportunities and connections to investors during an intensive three-month program, similar to the "boot camp for startups" that Mountain View's Y Combinator runs for tech firms.

The first four companies of what eventually will be hundreds cycling through Greenstart's flexible work space represent an array of clean-tech approaches: biomass diesel, a smart plug, energy monitoring software and a smart window shade. Greenstart said the four, selected from 130 applicants, are already capital efficient and able to generate revenue in 12 months or less.

"It's really important for my company to have a presence in this environment that understands our product and our market," said Jennifer Indovina, CEO and founder of Tenrehte Technology, who traveled from her five-person company's Rochester, N.Y., headquarters to be among Greenstart's "freshman class" of entrepreneurs.

Tenrehte ("Ethernet" spelled backward) makes a Wi-Fi outlet adapter called PicoWatt that lets users monitor and control energy use of devices plugged into it. PicoWatt was selected as best green product at the 2010 Consumer Electronics Show in Las Vegas. The company has sold about 25 of the \$300 products and is ready to expand to larger-scale production.

"This program is a great fit for us," Indovina said. "We are almost in a position where a lot of startups fail as they try to ramp up to the next level. I felt they will do everything in their power to help me and make sure a full (complement) of mentors is there to help."

**Aid for shades**

Will McLeod, founder of SmarterShade, which lets any window tint on command, said: "We've got the technology, now we're ready to make the product" as he demonstrated a dollhouse-sized prototype. "Being here at Greenstart will open doors for us. San Francisco is a hotbed of green technology."

Greenstart's three co-founders, all serial entrepreneurs who were involved in consumer startup OpenAuto, together put up \$3 million to launch the accelerator and will eventually seek additional funding.

"We believe reducing the use of fossil fuels is the most important challenge - for the environment, for national security, for economics," said co-founder and managing partner Mitch Lowe. "Our sense is it is a solvable problem if there is a lot of innovation to expand clean energy and reduce dirty energy."

"Our broad mission is to help 500 or more clean-energy startups launch more successfully over the next 10 years," Lowe said. "We want to create a center of gravity for clean-energy companies here in San Francisco."

The hope is that the accelerator will boost future jobs. "Of the companies that go through here, many will stay in the city and start hiring," he said. "We think we can create a really vibrant clean-tech ecosystem here."

San Francisco is home to about 225 clean-tech and green industry firms, the mayor's office said, with renewable energy and energy efficiency the most common types. To encourage such firms to locate here, the city gives qualified companies an exclusion from the payroll tax for up to 10 years. Biotech companies, companies with less than \$250,000 in payroll, and companies in the Mid-Market area can also get exemptions from the 1.5 percent tax on payrolls.

### **3 programs a year**

Greenstart will run three programs a year, each lasting three months with a month in between. For each program, a group of companies - eventually 20 at a time - will base key staff in Greenstart's 6,000-square-foot flexible work space at 22 Battery St.

Greenstart will give each company \$25,000 to \$100,000 in seed funding, then connect them to mentors to make sure their business models are sound and their products have a market. The companies also will get access to legal counsel, grant-writing help, interns, and prototyping and test space. Greenstart will help the company founders quickly build networks of key experts and investors, "so when they leave the program after three months, they will have a valuable network to plug into to help them grow faster," Lowe said.

### **Pitching investors**

The culmination of each three-month cycle will be a chance to pitch to venture capitalists and angel investors - many of whom will already be familiar with the companies by having acted as mentors during the cycle.

Greenstart will take a stake in each company, ranging from 2 to 15 percent, structured as common stock rather than the preferred stock many investors prefer "to make it super easy and flexible for the entrepreneurs," Lowe said.

Greenstart's office follows the clean-tech theme, with sustainable flooring (porcelain tile and cork), salvaged and vintage furniture, low or zero VOC paint and finishes, and energy-efficient lighting and appliances.

Greenstart is accepting applicants at [www.greenstart.com](http://www.greenstart.com).

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<http://sfgate.com/cgi-bin/article.cgi?f=/c/a/2011/09/21/BULQ1L6NT6.DTL>

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