

Energy Efficiency | Jeff St. John | October 16, 2009

0 Comments

EcoFit Makes LED Streetlights Easier

The Kansas-based startup makes an LED module that can slide into existing streetlight fixtures, making upgrades cheaper and faster.

AUSTIN, Texas -- LED streetlights -- after traffic lights, they're the next big frontier for municipal energy efficient lighting retrofits.

Lenexa, Kan.-based EcoFit Lighting says it can make the job cheaper and easier, and it wants \$2 million to prove it.

The trick, said company president Cason Coplin, is EcoFit's LED retrofit module, which can slide into place in the "cobra head" fixtures that make up most of the United States' streetlights.

That way, you don't have to replace and dispose of the entire metal-and-wiring structure, he said.

It makes an LED retrofit much cheaper than a full replacement -- about \$400 versus a replacement's \$700 to \$900, he estimated.

That, of course, is on top of the 60-percent energy savings and six-fold lifespan extension that comes from replacing today's common traditional high-pressure sodium streetlights with higher-efficiency light-emitting diodes (see [LED Streetlights Go to Crime-Ridden Area](#)).

And it only takes about five minutes to retrofit a streetlight fixture with EcoFit's module, versus the 15 to 30 minutes to take the entire head off for a replacement, Coplin noted -- an important consideration when cities are looking at the costs of sending out workers to replace thousands of streetlights.

The business proposal seemed to convince the judges at the Clean Energy Venture Summit in Austin, Texas, who named EcoFit the winner of a competition featuring 20 competing green technology companies (see [Anzode Brings Nickel-Zinc Batteries Up To Date and Enistic Seeks U.S. Market for Smart Power Strips](#)).

EcoFit has raised \$1.15 million to date, mostly from angel investors and the state-run Kansas Technology Enterprise Corp., and has used the money to design and contract-manufacture its LED modules, which use LEDs from such suppliers as Cree and Philips Lumileds.

So far it's installed test modules in about 20 cities, including in streetlights in front of utility Pacific Gas & Electric's downtown San Francisco headquarters, Coplin said.

EcoFit's current production capacity is about 10,000 a month, "But we think we're going to need more than that," he said. Thus, the search for a \$2 million investment to increase the production threefold to fourfold, he said.

With about 35 million streetlights in the United States, "the opportunity here is extensive," he said.

The company would seek debt financing, Coplin told judges at Thursday's competition, but for the fact that it has little in the way of collateral to put up against a loan.

In any case, EcoFit knows it's competing in a marketplace dominated by giants like Philips, General Electric and Osram, and expects that its exit strategy will lie in being acquired by one of them someday, he said (see [Green Light](#) post).

Those same giants could copy EcoFit's idea, he conceded, though the company does have patents pending on its concept and design.

But it will be hard for copycats to design their way around one key feature, he said -- the 10 pounds of heat-sinking metal that surrounds the module.

Heat is a key limitation for LEDs, and finding another method to get rid of it that doesn't add

prohibitively large costs to another similar module could be a challenge, he said (see **Progressive Cooling: A New Way to Cool LEDs**).

Image of an EcoFit installation in Lenexa, Kan. via the company.

CLEAN ENERGY VENTURE SUMMIT

Local clean-tech competition attracts a big crowd

By Tim Eaton
AMERICAN-STATESMAN STAFF
Friday, October 16, 2009

At a time when money for startup companies is difficult to come by, a collection of curious venture capitalists and eager entrepreneurs came together in Austin on Thursday in hopes of making connections and deals.

More than 400 people met at the AT&T Executive Education and Conference Center on the University of Texas campus for the third annual Clean Energy Venture Summit.

Ben Koch, the managing director of investment banking for Dallas-based Southwest Securities, said clean technology represents a viable space for investors. Venture investing in the sector hit record levels last year and has been rebounding after a slowdown earlier this year.

There is "buzz around the sector," Koch said, because of government support, customer demand and a real potential to make money in a relatively short time, especially compared with other technology sectors. "It's one of the bright spots in a down economy."

Twenty companies made five-minute pitches to a panel of judges, including Koch, in hopes of earning an opportunity to be part of the Pecan Street Project. The project is a effort by the city, UT and a number of private companies to turn Austin into a clean-

energy laboratory.

The companies also made pitches to venture capitalists, hoping to attract new investors.

Brewster McCracken, a former City Council member and an architect of the Pecan Street Project, said there are immediate applications for some of the technologies he heard about at the summit.

"There's a growing belief that there's some real market opportunities in this space," said McCracken, who was also a judge and is federal grants manager for the Pecan Street Project.

Five companies were recognized at the end of the day: Austin startup Graphene Energy; Anzode, a California company that is developing zinc-based technology for rechargeable batteries; Ideal Power Converters, an Austin-based photovoltaic inverter manufacturer; IceCycle, a Flower Mound-based developer of thermal energy storage technology for air-conditioning systems; and EcoFit Lighting, which develops high-performance LED light engines in Lenexa, Kan.

Ultimately, EcoFit Lighting won a prize package that will include help with public relations services, IT services and

legal consulting.

After the awards, EcoFit President Cason Coplin said of the event: "This fosters an environment where connections can be made and where companies and ideas can grow and prosper."

Not everyone who attended the event was there to compete. Other people attended to network and check out new ideas.

"I want to learn more and more about these emerging technologies," said Stewart Molina, an engineer with Austin Energy. "We are interested in the future of energy consumption and reducing the need for energy generation."

But, Molina added, many of the concepts he heard about could have issues. "The problem is, they appear to be much more expensive than the historical cost of nuclear energy."

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CleanEnergy Venture Summit 2009: A View from the Judge's Seat

Comments / Posted on 16. Oct, 2009 by [Steve Guengerich](#) in [Cleantech](#), [Events](#), [Startup 101](#)

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I served as a judge for the 3rd annual cleantech venture summit (CEVS) yesterday, produced by the Austin Technology Incubator's clean energy incubator (CEI). Between the morning and afternoon sessions, there were a little over 20

different deals that were pitched by company founders.

Since the overall theme of the event was the smart grid, the range of deals was a bit narrowed in that it lacked the more edge kinds of power generation or fuel pitches I've seen, like bio-mass or other organics like algae, and there were none of the more edge vehicle technologies I've seen, from unusual car designs to alternate transmissions. Instead, the deals primarily stuck to infrastructure plays, from building cooling to traffic lighting to new forms of and techniques for power storage.

Based on all that I saw, there are two fresh tech "shout outs" I'll give related to the pitches and a third "shout at" I'll give to the mentors/advisors and company founders who presented, overall.

In terms of shout outs, I'll first direct you to Scott Kirkwood of Kirkwood Labs, for a couple of reasons. First, thankfully, he was among the few presenters in the morning session that had a sense of humor, appeared to have rehearsed and/or timed his presentation, was comfortable giving it, and spoke with what I felt to be a high degree of knowledge and authenticity about his space.

If you go to his website, it won't do justice to his pitch, which is really a consumer home energy and sustainability monitoring play that has some nice touchpoints to it, such as a very easy-to-use browser-based UI for the software. There are a number of issues for Scott and his team to overcome, not the least of which is that he has to find a way drive the velocity of his deal about a million times faster in my opinion for it to really have a chance for a venture-level impact. But, he's one of the CEI's newest members and, after speaking with Scott afterwards, my sense is that he has the DNA to make a good run at it, with the help from Mitch, Isaac, and the rest of the CEI/ATI advisors.

My second shout out, I'll direct you to the EcoFit lighting team and, by name, Joel Wiggins, long-time former director of the Austin Technology Incubator, who is now the President and CEO of the Enterprise Center of Johnson City (ECJC). EcoFit is an ECJC deal – one of the several non-Austin-based companies to present at the Summit – and I credit Joel and his team's contribution for knowing a good deal when they see it. The presentation was clearly among the most polished, fully formed, and compelling from a demonstrable value proposition of the day.

In fact, EcoFit was the competition winner (and one of the 4 that I chose for my highest rating of the day) and was almost too good for this competition. I say "too good" because the raise being sought was \$2 million which the CEO, Cason Coplin, positioned strictly as "scale up" money – meaning that he didn't really need it to be successful (that's my words, not his), but that it would help the company get more product to market faster. If you've ever read Geoff Moore's 'Inside the Tornado' (the often overlooked follow-up to his essential "Crossing the Chasm"), of course, you know that such "optional" money is not optional if you want to win big.

But, his "scale up" positioning might have been Cason's way of expectation setting with the investors in the room, to make it clear that valuations would be strongly negotiated. At one point, in fact, a couple of my judge colleagues and I wondered out loud why the company was even seeking venture money (which comes at a higher cost, by definition), when there were bankers like Silicon Valley Bank and others that would appear to be valid alternatives. But, when the question was asked, the reason given was that there were insufficient assets in the company to collateralize to meet bank requirements at this point in the company's life, because they have outsourced essentially all of the "big ticket" manufacturing, but they are pre-revenue (even though they have purchase orders in hand and a growing pipeline of qualified prospects).

Now, for my "shout at," I'll have to admit that I was surprised at how unprepared many of the presenters were for the format and intent of the event. What I mean by "format" is that the presenters had a time limit for formal remarks and then Q&A, with a large live audience as well as the 20-some odd judges listening, not counting media and other potential partners and influencers in the room. Yet, my bet is that perhaps half of the presenters completed their comments in the time allotted, at best, and there were maybe only 4 or 5 of them that delivered their comments in a

practiced, professional, confident, well-paced manner.

And what I mean by "intent" is that this was a venture summit, meaning venture capital is the investment theme of the money people present. Now, clearly there has been a lot of diversity introduced in the venture investing world in the past 15-20 years, with a broader range of investment size and advisor involvement than before. But, at the end of the day, there are some reasonably good guidelines that any experienced investment advisor can offer for company principals to follow, regarding size of investment, market and revenue potential, valuation, etc.

I was frankly stunned at how few of the presenters seemed to understand these guidelines, when they presented their deals. Because, my personal sense was that close to a third of the pitches, at least, were truly more angel round, early stage deals. And those that had the feel of later stage pitches didn't seem to have a very good handle on the valuation/ROI expectations that a VC would have or, if they did, they did a sub-par job of providing persuasive arguments.

In fairness, I'd attribute at least part of this lack of fit or prep to the fact that it's hard to find 20-plus truly quality, venture-ready deals, with so much money still available for good cleantech investments. But, I also have to give a "kick in the butt" to the advisors, business partners and, frankly the presenters themselves, for doing such an amateur job on such a big stage. Guys and gals: perceptions matter. Get your game face on. Practice, practice and practice some more your pitch.

That being said, as a die-hard start-up person myself, I have the greatest respect for anyone that makes the personal sacrifices and takes the risks to lay themselves out for all to see, when they commit to an entrepreneurial route and have to raise money. I applaud all of the companies and presenters at the Summit for their tenacity and courage; I'm always energized after such an event.

And congratulations to the ATI team for putting on a strong, well-attended event. It was an important one for continuing to demonstrate Austin's place as a top competitor for cleantech innovation and entrepreneurship. *See you next time!*

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