

## Venture capitalist sees waste as feedstock for energy

By Nichola Groom

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LOS ANGELES (Reuters) - Don't use the word "waste" around venture capitalist Bill Green.

The managing director with Silicon Valley-based VantagePoint Venture Partners, which has invested in two companies that use discarded materials to produce energy, prefers to think of the stuff we throw away as the next generation of energy feedstocks.

VantagePoint's investments include Boston-based Ze-gen, which has a gasification technology that converts construction and demolition waste into synthetic natural gas, and Sweden's Chemrec AB, which converts "black liquor," the major byproduct of pulp mills, into biomass that can produce electricity.

In an interview with Reuters, Green discussed VantagePoint's view of why harnessing waste to power factories and homes makes sense financially and how soaring oil prices are driving entrepreneurs to think creatively about what will replace fossil fuels in electricity production.

Q: Why don't you like the word "waste" in talking about turning discarded materials into energy?

A: The trick here is to think about the feedstocks in a new way, because as soon as you create energy they have value. It is true there are certain things like Ze-gen's construction and demolition waste stream that don't appear to have near-term value to anyone else and are going into the landfill. But I would elect to use the term feedstock, not waste.

Q: What is driving the interest in these technologies, and how much of an opportunity is there?

A: It is clearly in the initial stages because the technologies that have long been considered, but never fully commercialized, are now being looked at very closely by VantagePoint and a whole host of others because the underlying economics have become so compelling. The price of every energy feedstock -- coal, natural gas, oil -- has risen so dramatically.

All of these new feedstocks and all of the technologies for converting them are now back on the table.

This burgeoning market interest is largely driven by the resource constraints we now find ourselves facing. If oil were \$20 a barrel, you wouldn't see a lot of waste gasification."

Q: Is there something about using waste that would otherwise go into a landfill that makes it so economically appealing?

A: To the layperson, it seems kind of obvious. 'Hey, you take garbage and you make energy -- ta da!' That is not always the way this works. The trick is in figuring out what waste streams are geographically available, will continue to be available, and then will be economic to convert.

A: To what extent does the amount of energy used in a waste-to-energy process influence your investment decision?

A: If we were to invest in a process for creating electricity today that had a very high carbon footprint and say 'Carbon be dammed, we are just interested in the fundamental price of the electricity today' -- probably not a great business idea because we have a thesis that says carbon will soon be priced and it will be everywhere in the world.

(For more coverage on the business of waste, click [here](#))

(Reporting by Nichola Groom; Editing by Eddie Evans)