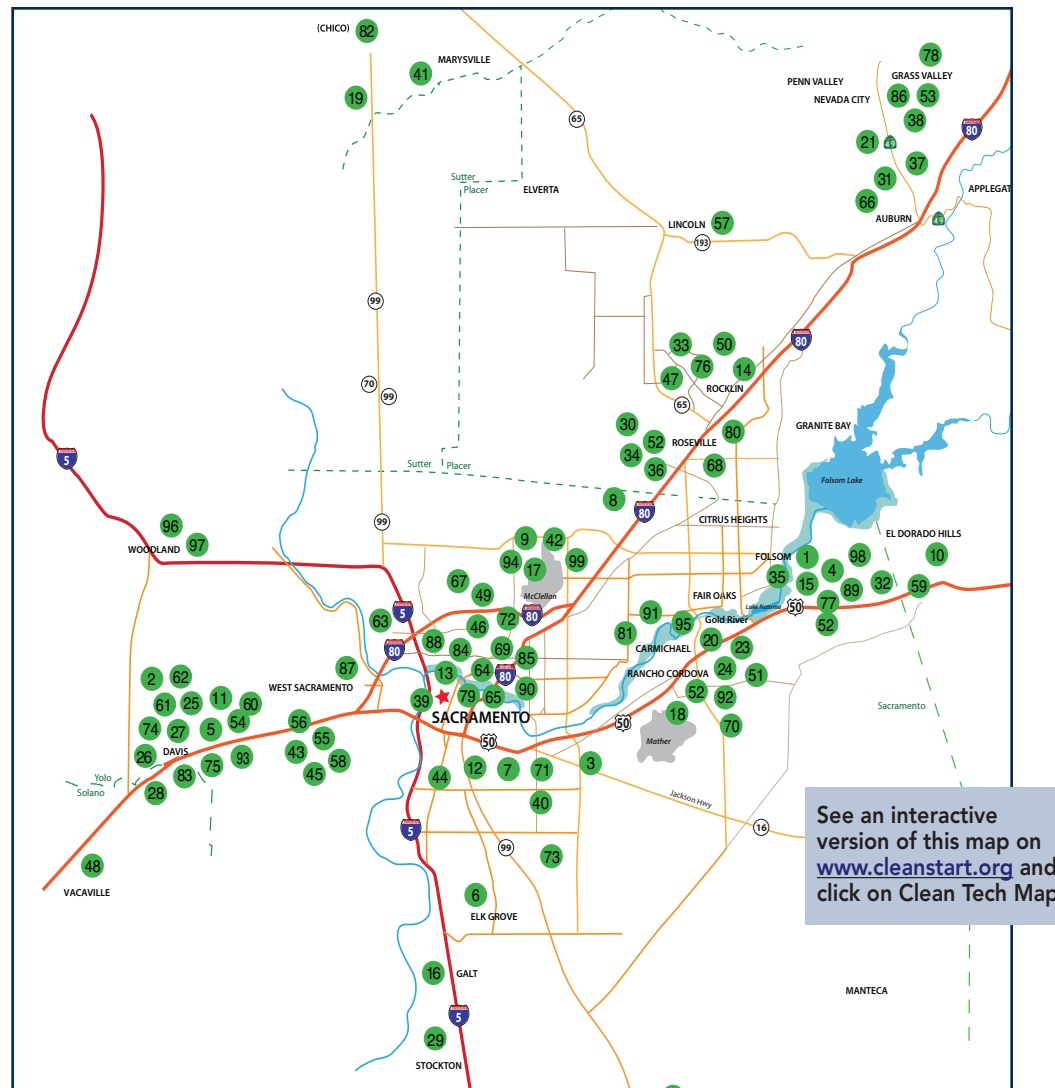


- 1 8minutenergy Renewables LLC
- 2 Advanced Energy Products
- 3 Airco Mechanical
- 4 Altery Systems
- 5 Ambercycle
- 6 Atlantis Energy Systems, Inc.
- 7 Bagatelos Architectural Glass Systems, Inc.
- 8 Battery M.D., Inc.
- 9 Beutler Corporation
- 10 Bloo Solar
- 11 Blue Oak Energy
- 12 California Sunlight
- 13 Capital Energy Solutions
- 14 Capitol City Solar
- 15 Carbon Sequestration, LLC
- 16 Cardinal Glass
- 17 Cha Corporation
- 18 Clean Energy Systems, Inc.
- 19 Clean Flame
- 20 CleanWorld
- 21 Clipper Creek
- 22 CNFBiofuel
- 23 Cybo Energy
- 24 D3 LED
- 25 DAE Technologies
- 26 Davis Energy Group
- 27 DavisChem
- 28 Efficient Drivetrains
- 29 Electric Vehicles International
- 30 Energy Exemplar
- 31 Envirocycle USA
- 32 eZESystems
- 33 Frontier Wind
- 34 Gemcopower
- 35 Glide Cruisers
- 36 Granite Bay Energy Group, Inc.
- 37 Green Planet Solutions
- 38 Green Smart
- 39 Greenleaf Power LLC
- 40 Greenlight Solid State
- 41 GreenTraks
- 42 Greyrock Energy Inc.
- 43 GridSense Inc.
- 44 Henwood Associates, Inc.
- 45 Hydrovolt Energy Systems (Pronto Power)
- 46 Innertech
- 47 Inspired Solar Technologies
- 48 Integrated Comfort
- 49 Jerico Energy
- 50 JLM Energy
- 51 JMJ Natural Lighting
- 52 Johnson Controls Inc.
- 53 KACO new energy inc.
- 54 Marrone Bio Innovations
- 55 Meca Solar
- 56 Micromidas
- 57 Mobius Technologies, Inc.
- 58 Mounting Systems-US
- 59 NLine
- 60 Novozymes, Inc.



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| 61 Octus Energy | 76 SMA America | 91 System 3 Inc. |
| 62 Onsite Power Systems, Inc. | 77 Smart Grid Billing, Inc. | 92 T3 Office Recycling Solutions |
| 63 Opticlanes | 78 Smart Light Systems | 93 Talbot Solar & Radiant Homes |
| 64 Organic Energy Corporation | 79 Solar Depot, Inc. | 94 Technikon, Inc. |
| 65 Pacific Ethanol, Inc. | 80 Solar Power, Inc. | 95 TNT Lighting and Solar |
| 66 Pacific Power Management, LLC | 81 SolarRoofs, Inc. | 96 Woodall Tech, Inc. |
| 67 PackageOne Inc. | 82 Springboard Biodiesel LLC | 97 Woodland Biomass |
| 68 Paramount Energy Solutions | 83 SunOne Solutions | 98 Worley Parsons |
| 69 Peak Demand Automation | 84 Sunoptics Skylights | 99 ZETA Communities |
| 70 RCS Technology | 85 SunTechnics Energy Systems | |
| 71 REC Solar | 86 Sustainable Energy Group | |
| 72 REO Mechanical | 87 SVV Technology Innovations, Inc. | |
| 73 Siemens Mobility | 88 Swinerton Renewable Energy | |
| 74 Sierra Energy | 89 Synapse Corp. | |
| 75 SIGNa Chemistry | 90 Synterra Energy | |

sarta CleanStart

PROGRESS REPORT 2014

Companies, Customers and Capital

REGIONAL GROWTH IN REVENUE AND JOBS CONTINUES

In 2013, based on a survey by the SARTA CleanStart program, growth continued for the 99 companies in the region's core clean tech industry cluster, hitting a new record of more than \$2.2 billion in revenue, and greater than 3,400 employees in total. The pace of this growth has slowed compared to that seen in 2012, with 5% growth in revenue and 6% growth in jobs in 2013. Nonetheless, a two-year moving average growth rate for 2011 to 2013 is a robust 47% in revenue and 54% in jobs. Among CleanStart's goals is to see the regional clean tech industry hit 10,000 jobs. Considering that only 650 jobs were identified in 2004 and that companies have logged five-fold growth in the past ten years, the goal of another tripling is very much within reach.

AN IPO AND MAJOR ACQUISITION CONTRIBUTE TO REGION'S SUCCESS AND RECOGNITION

In August 2013, regional clean tech and ag tech company Marrone Bio Innovations, Inc. (MBII) went public on the NASDAQ, raising \$56 million in the process. By year-end, the company's stock price was up more than 40% over the open, giving the company a \$325 million market value. This IPO sets a milestone for a number of reasons: for one, MBII joins a select group of only a handful of clean tech companies that have successfully gone public in recent years. IPOs in general have been challenging to accomplish in recent years, and clean tech and/or ag tech IPOs have been even fewer and further between. For another, MBII's early funding included a number of local investors, who are now in a position to reinvest their positive returns in additional local startups, hoping to set them on the same trajectory as MBII was able to achieve.

Also in 2013, Paramount Solar was sold to Bay Area-based Solar City for a combination of stock and cash totaling \$120M. Together, the MBII and Paramount Solar transactions confirmed the success of tech companies founded and growing in the Sacramento region, which will help attract attention from additional venture capital firms as a place to invest.

"SARTA is a great resource and really draws attention to all the start-up opportunities in the local area." - Larry Bawden, CEO Bloo Solar



RECOGNIZED NATIONALLY AS #6 MOST ACTIVE CLEAN TECH METRO AREA

The growth and success in the region is drawing national attention. Industry analyst Clean Edge annually evaluates major metro areas on the basis of clean tech leadership, and most recently identified the Sacramento region as the #6 most active clean tech metro area in the nation. Clean Edge's index is based on 22 factors covering green buildings, advanced transportation, clean electricity and carbon management, and innovation, investment, and work-force characteristics. The recent ranking places the Sacramento region ahead of such well-known clean tech powerhouses as Boston, Austin and Chicago – but with distance to go to gain on the top three of San Francisco, San Jose, and Portland.

(The full report from Clean Edge is available at www.cleantechedge.com/research/leadership-index)

CLEAN TECH INVESTMENT ON QUIET REBOUND, NEW SOURCES EMERGING



Venture investment in clean tech rose to \$6.12 billion worldwide, an increase over the 2012 total of \$5.92 billion. While this is lower than the all-time high set in 2011, the rebound is meaningful and the trajectory is positive. Venture investors have shifted the focus of their investing to energy efficiency (such as building automation systems and web-enabled devices such as those developed by Rancho Cordova-based RCS Technology) and advanced transportation, versus the prior emphasis on solar. The public equity markets also registered a positive year for clean tech, with the NASDAQ Clean Energy Fund (QCLN) up 96% for the year—a healthy gain especially compared to the overall S&P 500 index which gained “only” 28%. In addition, in the past twelve months \$20.5 billion has been invested in new clean tech projects, a very healthy pace. All of these indicators point toward renewed interest in the sector.

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PAM MARRONE: CLEAN TECH INNOVATOR AND EXECUTIVE OF THE YEAR



Pam Marrone, shown with Renee Taylor from SMUD Board of Directors, received the CleanStart Innovator of the Year Award from SARTA.

Reflecting her leadership at Marrone Bio Innovations, Dr. Pamela Marrone was honored multiple times throughout 2013. SARTA CleanStart named her the Clean Tech Innovator of the Year at the CleanStart Showcase in October, noting both her scientific and business acumen. Dr. Marrone was also named the Executive of the Year by the Sacramento Business Journal in December, and earlier in the year was awarded the Business Journal's Green Leadership Award for Entrepreneurship. Dr. Marrone has been a tech innovator in our community for 25 years, and her leadership of three companies makes her a well-deserved recipient of these prestigious awards.

CLEAN TECH COMPANY PROGRESS UPDATE

Aerojet Rocketdyne (Rancho Cordova) is demonstrating a large commercial-scale photovoltaic control system that can help more efficient panels generate more electricity cheaper and in less space than traditional flat-panel arrays.

Bloo Solar (El Dorado Hills) raised \$6.8M in its latest funding round in June.

Blue Oak Energy (Davis) completed a 4.2 megawatt solar array in Gridley, which will send electricity to the city of Gridley and to BART.

CleanWorld (Sacramento) broke ground on an innovative 1 MW anaerobic digestion facility at UC Davis to turn 20,000 tons per year of organic waste into power for the campus. It also received a national "Energy Vision Leadership Award" for its projects and Michele Wong, CEO, was named a Top Executive by the Sacramento Business Journal.

CyboEnergy, Inc. (Rancho Cordova) received Frost & Sullivan's 2013 Global Product Differentiation Excellence Award for its work in solar inverters.

Micromidas (West Sacramento) raised \$13M to make key chemicals from cellulose waste. It has now raised \$20M in funding and has built a small pilot bio-refinery to test its process.

Novozymes (Davis) got \$2.5M in DOE funding to research converting corn waste into fuel, and expects to add 4 employees to its current 105.

Pacific Ethanol Inc. (Sacramento) is working on a deal with Sweetwater Energy Inc. to build a cellulosic bio-refinery at the Pacific Ethanol plant in Stockton.

Sierra Energy (Davis) will soon start producing energy using its FastOx waste conversion technology at Fort Hunter Liggett, a military base in Monterey County.

Ygrene Energy Fund expanded its 100 percent financing program for green building upgrades to both Sacramento and Yolo counties.

CLEANSTART AND CLEANSTART'S CO-FOUNDER EACH EARN AWARDS



Meg Arnold, SARTA CEO accepts award from Terry Hillman, Sacramento Business Journal Publisher.

Photo credits: Bea Franchetto of the Sacramento Business Journal



Gary Simon poses with Genevieve Shiroma, SMUD Board of Directors, as he receives life-time achievement award.

The Sacramento Business Journal recognized both SARTA and SARTA CleanStart's co-founder Gary Simon with Green Leadership Awards in early 2013. SARTA was recognized for the CleanStart Program: "When highlighting SARTA's contributions to the local clean-technology community, most people would point to the nonprofit's CleanStart program. It's a logical choice."

In addition, CleanStart's co-founder, Gary Simon, a member of the SARTA Board and a tireless advocate for, investor in, and business executive at clean tech companies, was granted a Lifetime Achievement Award at the same ceremony. Gary, together with Mark Henwood, co-founded CleanStart as an independent non-profit in 2004. By 2009, CleanStart had merged into SARTA where it has served as the much-emulated model both for the MedStart and AgStart programs.

Gary himself has a storied career as an executive with both established and startup energy-related companies, and with public-sector regulators. In Sacramento, he has consistently championed the region's potential as a clean tech hub, and gives generously of his time and talents to non-profits and startup companies to help achieve that vision.

CROWDFUNDING OPENS NEW DOORS

With the passage of the federal JOBS Act of 2013 and other innovations, a new pathway to funding through crowd sourcing has been created. Crowdfunding can cover many things including selling initial units and collecting deposits, securing loans, raising grant funds, as well as the issuance of stock as provided in the JOBS Act.

More than 100 new websites offer all manner of crowd-funding options, opening the door to startups to raise money. Already companies have raised millions of dollars via these websites. Crowdfunding is an exciting, but also risky and quickly evolving, new avenue for companies.

7th Annual



Spotlighting Sacramento Clean Tech BusinessSM

ANNUAL SHOWCASE A HIT



The showcase featured a number of speakers, including 9 year old Nicolas Come, founder of Nicolas' Garden.



Roundtable discussions on a variety of topics were a hit at the Showcase.



Yanev Suissa, Venture Fellow, New Enterprise Associates - keynote speaker at the 2013 Showcase



WHAT IS CLEANSTART?

SARTA's CleanStart Program, founded in 2004, is designed to stimulate the development and success of early stage clean technology companies and to build a regional clean tech cluster through education, collaboration, and partnering. Board Member Gary Simon is the Chair of the Program.



In three networking events held in 2013 in West Sacramento, Folsom, and Grass Valley, CleanStart brought together the majority of the Clean Tech 100 companies with customers and supporters. The gatherings were focused on building strong networks among clean tech companies across the region. PowerUP worked to create meaningful connections between the companies that participated, and especially welcomed the companies newly added to the map.

The Seventh Annual CleanStart Showcase, themed "Companies, Customers, and Capital," drew nearly 700 attendees, 88 exhibitors, and numerous outstanding speakers. The 2013 Showcase was combined with the inaugural AgStart Showcase, giving the audience a wide selection of sessions to attend. Keynote Yanev Suissa with New Enterprise Associates, the largest VC firm in the country, described how investor interest was returning to clean tech, at least to certain segments. Alex Hillman, founder of Indy Hall in Philadelphia, conducted a lively discussion on using hyper-connected networks to build companies and communities. The Showcase received nationwide exposure with over 2000 views of the press release and 64,500 articles and headlines written about it. Locally two TV stations covered the event. Most meaningfully, this Showcase drew more positive comments than any of those done so far. The Showcase was held in a new location, the McClellan Conference Center. With three times the space of the previous showcases, there was plenty of room for breakout sessions, networking, and a much larger exhibit hall.



STATE FUNDING FOR CLEAN TECH DUE TO RAMP UP

Entering 2014, a major change in the clean tech landscape relates to new funding sources dedicated to clean tech projects in the region and in the state. These funds can help create a huge customer demand for products and services and enable companies to bootstrap their way to significant revenue. On the list are these sources:

Carbon Trading (AB 32) — The money raised by selling carbon allowances could amount to a cumulative \$50 billion by the year 2020. The initial \$417 million revenues were diverted to balance the state budget, but now the vast majority will be devoted to projects that reduce carbon emissions. One uncertainty, however: how much may be allocated to high speed rail.

Electric Program Investment Charge (EPIC) — Through a charge on all electric bills, \$125 million per year will go to clean power projects including demonstration units. EPIC is administered by the California Energy Commission (CEC).

Clean Energy and Jobs Act (Prop 39) — Additional funds from a change in the state income tax are earmarked to implement energy efficiency and clean energy projects in schools. Up to \$550 million may be available for which schools can apply.

Energy Storage Mandate — The California Public Utilities Commission (CPUC) has ordered the state's investor-owned utilities to install 1300 MW of electric storage facilities, much like a Renewable Portfolio Standard (RPS) requirement.

Clean Energy Sacramento — Using the Property Assessed Clean Energy (PACE) mechanism, more than \$100 million in loans are available for commercial building energy projects in Sacramento. Ygrene, which administers the funds, is planning to expand to other counties nearby and to residential projects.

In addition, the owners and developers of the new \$450 million **Entertainment and Sports Complex**, and future home to the Sacramento Kings, seek to make it a clean tech and high tech showcase.