

Volume 250 September 6, 2011

Although the 2nd quarter of 2011 saw a slowdown from the flurry of investment activity the Sustainable sector experienced in the previous quarter, the second half of the year shows promise for strong growth, driven in large part by the Energy Efficiency market. Last quarter saw a shift in transactions as money left the capital intensive biomaterials/biofuels and solar sectors, moving to the less capital intensive energy efficiency sector. As robust as the efficiency sector is from an investment standpoint, we believe that the sector will explode with merger and acquisition transactions in the 3rd and 4th quarter 2011, with major managed energy services providers looking for strong acquisition targets.

The increasing costs of energy are affecting businesses across all market sectors. While large managed energy service providers are helping to alleviate some of these costs, their customers are starting to demand real time managed services that allow them to react almost instantly cost price increases and spikes in usage. On a non-real time basis, energy services providers currently save customers roughly 20% on their energy usage and costs. With real time managed services, there are indications that customers could save an additional 10% to 15%, simply by having the ability to respond to changing market and use conditions as they happen.

Three main themes we expect to track for the remainder of 2011 include the following.

1. Resurgence of merger and acquisition activity driven by the Energy Efficiency Sector, with strong growth across Solar and Biofuels/Biomaterials as well.
2. Vertical integration of real time energy efficiency technologies and data analytics
3. Follow-on deals accounted for the majority amount of cleantech invested capital in Q2 2011, and this trend is likely to continue through the end of the year.

Extended Temp Forecast: Chicago Area

Tue	Wed	Thu	Fri	Sat
54 - 67	59 - 72	60 - 72	60 - 69	59 - 71

Electricity Pricing Areas – On Peak Oct 2011

	Sep 6, 2011	Per kWh
PJM	West	\$.04566
Cinergy	Peak Monthly	\$.03658

ComEd Average Day Ahead LMP Electric Price

Time Period	Average per Kwh
Aug1–Aug 31, 2010	\$.04628
Sep 1 - Sep 30	\$.02934
Oct 1 - Oct 31	\$.02702
Nov 1 - Nov 30	\$.02778
Dec 1 - Dec 31	\$.03545
Jan 1 –Jan 31, 2011	\$.03871
Feb 1 - Feb 28	\$.03581
March 1- Mar 31	\$.03668
April 1 - April 30	\$.03448
May1- May 31	\$.03954
June 1 - June 30	\$.03851
July 1 thru July 31	\$.05170
Aug 1 - Aug 31	\$.04064

Weather - Today: Partly cloudy and windy. High 67F. Winds NE at 20 to 30 mph. **Tonight:** Clear skies. Low 54F. Winds NNE at 10 to 20 mph. **Wed:** Sunny skies. High 72F. Winds NNE at 20 to 30 mph. **Thu:** Partly cloudy and windy. Highs in the low 70s and lows in the low 60s. **Fri:** Showers. Highs in the upper 60s and lows in the low 60s. **Sat:** Showers; Highs in the low 70s and lows in the upper 50s.

