



TIME TO TRANSFORM

# Investment & Policy Brief

Decarbon8-US is for those who believe in the power of entrepreneurship and technology and wonder what more they can do to mitigate climate change.

Decarbon8-US gives everyone a way to provide investment to the cleantech enterprises that are already beginning to transform our economy. We just need to go faster – much faster, and there is no time to lose.

We know climate change poses tremendous risk to our way of life and that of our children, with 50% of Sustainable Development Goals impacted by threats to nature and its communities ([IPBES Plenary 2019](#)). We know that [1.5C](#) is going to be hard to hit.

Yet we also know that rapid change is possible – and that citizens of the world are activated. Sixty-six percent in Washington State, for example, say they want to do more to address climate change ([Yale](#)), which we see in the actions of policymakers, employees and recent commitments from Amazon, Microsoft, Delta Air Lines, Blackrock and others. These trends and the focus on climatetech investment have only grown in an era of COVID and increased concern over climate change.

## **So, what can we do? Everything.**

In lock-step with policy, advocacy and research, everyone needs to do their part to drive the decarbonization of our economy as fast as possible. This will be a multi-decade endeavor that needs not only your investment but also active, informed consumers and advocates.

Your tax deductible contribution to Decarbon8-US supports investment in innovative cleantech companies – and is just the start.

## How Decarbon8-US Works

The Fund accepts philanthropic donations and grants and then makes equity and debt investments in early stage companies aligned with decarbonization priorities. Deals are sourced through thematic calls for proposals in areas such as electrifying transportation, green buildings and agriculture.

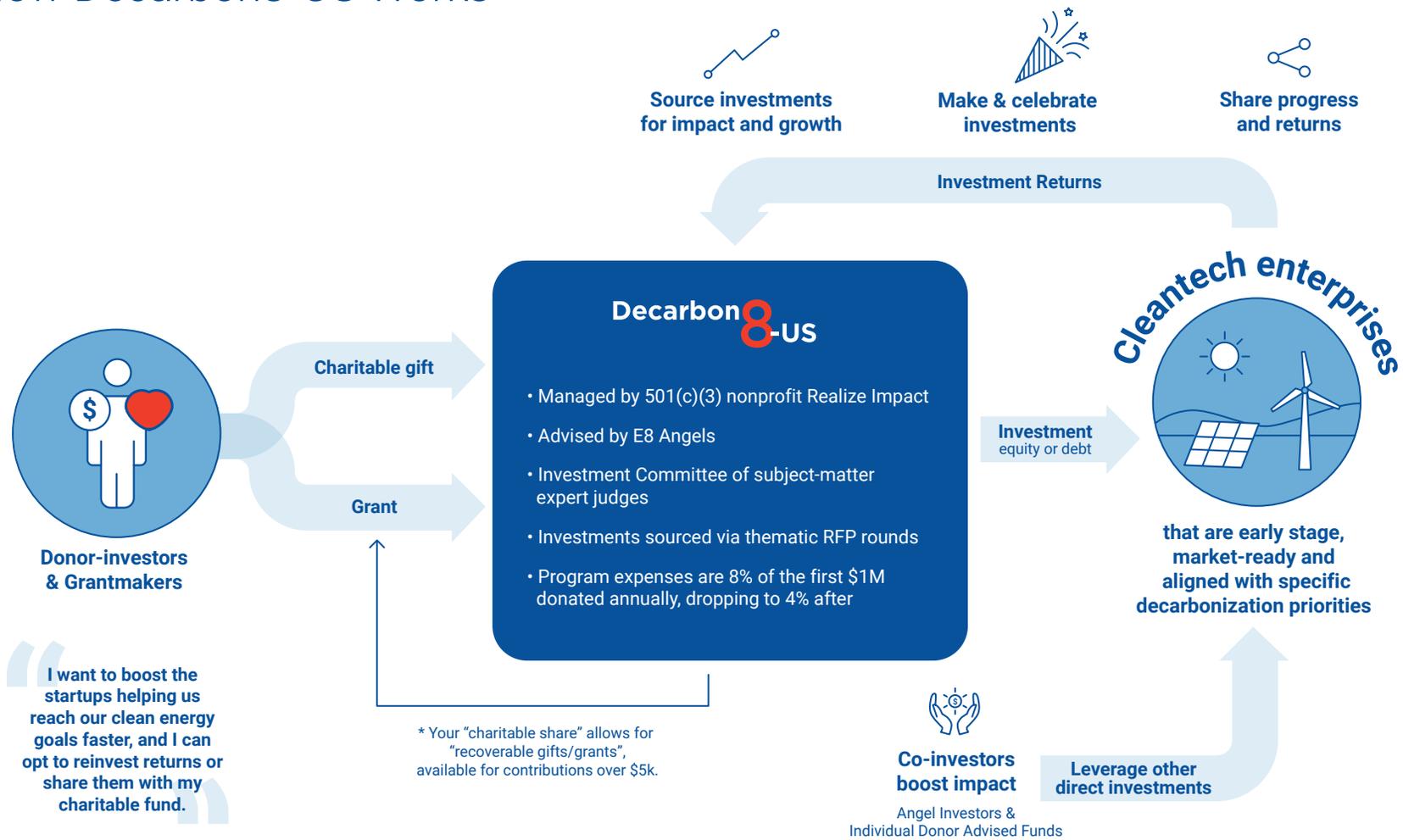
Returns to the Fund are reinvested, though contributions over \$5,000 may have returns shared with a donor advised fund or foundation.

Other accredited investors and funds may co-invest in deals as well, increasing our impact. Investments are announced at semi-annual investment presentations and Celebrations.

For those new to philanthropic impact investing, please contact us for our legal brief from Adler & Colvin.



## How Decarbon8-US Works



## Who we are: E8, Realize impact and the cleantech collaboration



### E8

([www.e8angels.com](http://www.e8angels.com); [director@e8angels.com](mailto:director@e8angels.com))

E8 leads investment screening, due diligence and selection, and marketing for the Fund.

E8 is an international, Seattle-based community whose mission is to accelerate the transition to a prosperous and cleaner world by investing in and fostering emerging cleantech enterprises. Its flexible, investor-centric platform supports different types of investors and asset classes, including direct angel for-profit investing, pooled investing in expertly managed VC funds such as the E8 Fund, and donor advised fund impact investments.

Since 2006, E8, an 501(c)(6) membership organization, has facilitated **>\$45M in investment in 115 companies**. Through investment pitches, collective due diligence and learning opportunities, the E8 community unites interest, passion and expertise from the Northwest and nationally.

Write [director@e8angels.com](mailto:director@e8angels.com) to learn more about cleantech angel investing with E8 and, if an accredited investor, to join our monthly member pitch meeting as our guest!



### Realize Impact

([www.realizeimpact.org](http://www.realizeimpact.org); [invest@realizeimpact.org](mailto:invest@realizeimpact.org))

We are honored to work with Michael Libes and the team at Realize Impact to administer the Fund, supporting Fund operations, investments and monitoring.

Realize Impact is a 501(c)(3) public charity focused on making impact investing easier. Founded in 2013 by the people who created Impact Hub Seattle, the Seattle Impact Investing Group, and Fledge, Realize Impact understands the complexities that lie between philanthropy and investing and the processes required to turn capital into impact. In 2017 we launched [investorflow.org](http://investorflow.org), gathering over 450 impact investors from around the world to share deal flow. In 2020 RI launched a new investing service to fill the gap for donors, donor advised funds, and foundations, working with E8, the Seattle Foundation and others.



### Decarbon8-US's Cleantech Advisory Council

Decarbon8-US leverages a host of leading cleantech organizations with complementary missions and expertise. We are grateful for strategy, program and outreach partnerships with:

#### CleanTech Alliance

(Tom Ranken)

#### Climate Solutions

(Gregg Small)

#### Craft3

(Reed Mayfield)

#### University of Washington's Clean Energy Institute

(Dan Schwartz)

#### Washington State University

(Brian Kraft)

## Contribute capital and engage

Decarbon8-US gives anyone, of any means, an opportunity to personally get connected and invest in the exciting entrepreneurs and innovations that are already transforming our economy. Collectively we drive investment to accelerate this transition – and we also engage and learn together, informing and deepening and our advocacy, lifestyle choices, storytelling and more.

## Engagement and stewardship

Thank you for your contribution, and we offer everyone a chance to get as engaged as they wish with the vital and inspiring progress you make possible.



### Gratitude + learning opportunities

Cumulative of all earlier tiers

<b>&lt;\$1,000</b>	<ul style="list-style-type: none"> <li>• Donor-investor updates and conference calls</li> <li>• Qualify for all special events via drawing*</li> </ul>
<b>\$1,000+</b>	<ul style="list-style-type: none"> <li>• Investment Celebration event invitation</li> <li>• Special edition art poster</li> <li>• Co-investment Pitch Invitation (accredited investors only)</li> </ul>
<b>\$5,000+</b>	<ul style="list-style-type: none"> <li>• “Charitable Share” option to recover a portion of your returns</li> <li>• Priority for Field Trips &amp; Experiences</li> </ul>
<b>\$10,000+</b>	<ul style="list-style-type: none"> <li>• Advisory Council Reception invitation</li> <li>• Guest Invitations to Investment Celebration</li> </ul>
<b>\$20,000+</b>	<ul style="list-style-type: none"> <li>• A private site visit to investee or partner facilities</li> <li>• Advisory Council Reception guest invitations</li> <li>• Extra, carbon-free karma points</li> </ul>

\* Donor-investors from every tier will have a chance for random selection to attend the Investment Celebration and Advisory Council Reception.

## Making a contribution

All gifts are tax deductible, and all grants are readily accepted.

### Via check

payable to  
"Realize Impact" with  
"D8" in the memo line,  
mailed to:

Realize Impact –  
Decarbon8-US  
271 Winslow Way E,  
#11548 Bainbridge Island,  
WA 98110-0106

### Via credit card

at [Decarbon8-US.org](https://Decarbon8-US.org)  
and the Paypal  
donate button.

### Via wire

Columbia Bank  
249 Winslow Way, East  
Bainbridge Island, WA  
98110

Routing: 125108272  
Account: 7001202668

### Via transfer of securities

which can mean  
additional tax benefits

Please contact us.  
([director@e8angels.com](mailto:director@e8angels.com))

### Via donor advised fund or private foundation grants:

EIN: 46-3594732  
Realize Impact  
271 Winslow Way E,  
#11548 Bainbridge Island,  
WA 98110-0106

### Privacy and recognition

Contributions to Decarbon8-US are confidential and not shared with the public unless approved by you for promotional or PR purposes.

### Your "Charitable Share" option for contributions over \$5,000

If you so choose, contributors over \$5,000 have the option to reinvest their portion of returns or to take some or all of those returns (both principal and gains) and request their transfer to a donor advised fund or other charitable account. This applies to incoming grants from funds or foundations – i.e. "recoverable grants" – and also new contributions.

Your contribution will be tracked against a particular group of investments, and upon investment returns we will contact you with regard to your preference. Foundations or donor advised funds requiring a "recoverable grant" agreement in advance should contact Realize Impact ([invest@realizeimpact.org](mailto:invest@realizeimpact.org)).

### Administrative expenses

To support the effective program and administrative management of the Fund, including E8 investment sourcing, due diligence and outreach, and the services of Realize Impact, Realize Impact, an 6% expense is assessed on first time contributions, and 3% on amounts that are later reinvested. 96% of investment returns may be either reinvested in future Decarbon8 rounds or reallocated to another public charity or donor advised fund, with the balance supporting ongoing Fund operations and excellence.

## Sourcing, making and celebrating investments and co-investments.

### Investment Goals and Thesis

The goal for our investments is to accelerate the growth and scale of solutions that directly align with the sectors and industries needed to decarbonize our economy and successfully reach the clean energy goals required to mitigate climate change. While we invest in companies across the US and Canada, we take our inspiration from the goals and pathways for the Northwest.

In order to do so, our investment thesis is to invest in early stage companies with products and services on the market, who have revenue and find value in investment, and accompanying visibility and community support, from Decarbon8-US, E8 angels and our cleantech coalition. Contingent upon funds available, we expect Fund investments in the \$50,000-\$150,000 range, with additional funds available from co-investing angels.

Decarbon8's first two rounds, in 2020 and 2021, resulted in >\$2M in combined philanthropic and personal co-investment.

Our initial investments included Xeal (EV charging), Earthly Labs (industrial carbon capture), and Steelhead Composites (hydrogen storage). Earthly Labs has since been acquired by Chart Industries, resulting in a first exit for D8 donor-investors and accelerated scale and impact of their solution.

Transportation investments in 2021 included C-Motive (disruptive electrostatic motors), Automotus (AI-driven curb management), SparkCharge (mobile EV charging), and GoPowerEV (scalable charging for multi-unit dwellings), as well as a follow-on investment in Steelhead.

## Investment sourcing and criteria

Transparency and openness are core operating values for the Fund, and investments will be sourced via Request for Proposal twice a year, with each round focusing on one particular area of the clean energy economy. Following an initial round open to all decarbonization enterprises, a first priority, based on its carbon footprint, will be electrifying transportation. Others will include the built environment, agriculture, carbon capture, marine and other areas.

To remain flexible and opportunistic, direct investments may be recommended by the Investment Committee outside of the RFP process, encountered through deal flow of E8 and our partners.

With support of accelerators, incubators, universities and other networks, our RFP will seek investment proposals that will be reviewed on the following criteria and eligibility.

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**Accelerating progress in specific decarbonization goals and growth:** the overriding criteria for investment is impact, using new technology and business models to fill gaps and surmount barriers in specific decarbonization pathways. Scalable, profitable business models are essential to our investment thesis of driving change through the power of entrepreneurship and markets, and a company's potential for impact is a primary consideration.

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**Market-ready solutions,** prioritizing products and services that are tested and available which address gaps and barriers in clean energy pathways; in select circumstances, pilots will be considered if transformative, but generally companies should already have clients and revenue, needing funding to drive early expansion and scale. (There are other funding and support mechanisms for earlier stage ventures, including Vertue Lab and Elemental Exceleator.)

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**Business model and growth potential,** with an emphasis on compelling value propositions, intellectual property and business models that can expand quickly.

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**For-profit enterprises based in the US or Canada.**

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**Equity and access** are factors in the scoring rubric, for solutions to be available to disadvantaged communities.

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**Deals, deal terms and fundraising rounds:** various types of deals will be considered, from equity and convertible debt to even project-based or revenue-based loans. We encourage companies to offer deals that suit their situation and priorities, and for those not currently raising, Decarbon8-US and Realize Impact will flexibly negotiate alternative funding options (e.g. a convertible note or revenue-based loan).

## Investment Committee & Fellows Tech Support

A committed group of subject matter experts and veteran cleantech angel investors will score, screen and review applicant enterprises, with the support of E8 Fellows Tech Support. Their decisions will be reviewed by E8 Directors when recommending investments to the Realize Impact Investment Committee.



**John McGarry**  
*Conservationist, angel investor, & clean energy pathways advocate*

John moved to Seattle after a 25-year career as an investment banker in New York, Hong Kong, and Chicago. His most recent role was as a senior banker raising capital for US companies in the healthcare, consumer products, and retail industries. John was a Fellow in the Northwest Conservation Philanthropy Fellowship program in 2015. He currently serves on the board of Sightline Institute & The Clean Energy Transition Institute. He is an active investor in early stage cleantech and sustainability companies. John also has a keen interest in music and the arts. He is a former board chair of the Interlochen Center for the Arts in Michigan.



**Richard Hartung**  
*Managing Director, Transcarta*

Richard is a consultant on retail banking and payments, primarily in Asia. Currently at Transcarta, Richard works with financial institutions on payments strategy and research. Richard has a BA from Pomona College and an MBA from Stanford University. He is on the boards of the Jane Goodall Institute, Centre for a Responsible Future and Solar Washington. He is co-founder of Asia Sustainability Angels.



**Kathleen Hebert**  
*Sr. Venture Partner, E8 Ventures*

Kathleen Hebert is Senior Venture Partner at E8 Ventures and a board member of E8 where she serves on the screening committee, leads diligence teams, and is an advisor to the Decarbon8 Fund. Deeply involved in clean technology investment and climate action, she serves on the boards of The Nature Conservancy of Washington, the Clean Energy Transition Institute, and was a 2015 Northwest Conservation Fellow with a focus on Water Sustainability. Kathleen was a Corporate Vice President at Microsoft and a strategy consultant at BCG.



**Peter Kelly**  
*President and CEO, Grow Further*

Prior to founding Grow Further, Peter was an assistant professor of economics at Renmin University in Beijing, where he taught and published on agriculture, international development, and the environment. He serves on the boards of a number of other charitable, policy, and for-profit organizations, including as vice chair of Carbon Washington. He holds a PhD in Agricultural and Resource Economics from UC Berkeley and holds a BS in International Agricultural Development from UC Davis.



**Zoe Well**  
*Investment Associate, Avesta Fund.*

Zoe Welz works with the Avesta Fund, a seed stage fund investing in scalable solutions to boost economic opportunity and climate action. Prior to becoming an investor she was the CEO & Founder of Grazeable, an agtech company built to empower farmers and ranchers with the tools they need to effectively deploy regenerative techniques on their land. She has also held roles with Venture for ClimateTech and Techstars. She is an Environmental Engineer by training.

## Tech Support, from E8 Fellows

Given cleantech's technological innovation and competition, E8 and the coalition are thrilled to access a crack tech team from the private sector and academia. For the electrifying transportation round we avail ourselves of the expertise of graduate and post-graduate E8 Fellows from the University of Washington, Washington State University and other partners. Fellows bring critical technical expertise to the due diligence process.

## Evaluation and due diligence process

**Request for proposal announced with a minimum investment amount available based on fundraising**

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**Preliminary scoring & screening** of received applications

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**First pitches via Zoom**

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**Due diligence on semi-finalists**, with judges leading up the business review, Craft3 underwriters leading financial reviews, and Fellows managing each review and its report, and supporting technical and market research

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**Final pitch and Q&A, and site visits**

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**Investment selection**

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**Investment Celebration, with Donor Presentations and Co-investment pitches**

## Making and monitoring investments and returns

Upon selection, Realize Impact will administer investments from the Fund, tracking with E8 the progress of investee companies. All returns will be reinvested in the Fund for reinvestment, minus a 2% expense to support ongoing Fund and Realize Impact operations, along with any share recovered to other charitable funds.

Contributors to the Fund will have access to regular investment updates, as well as ongoing learning activities related to past or current investment.

An aerial photograph of several icebergs of various sizes floating in dark, deep water. The icebergs are white and light blue, with some showing signs of melting and jagged edges. The water is a deep, dark teal color, creating a stark contrast with the white ice.

# Decarbon8-US

## TIME TO TRANSFORM

To accelerate progress on our drive for clean energy  
Join us and contribute now.

[Decarbon8-US.org](https://Decarbon8-US.org)

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[actiondigital.co](https://actiondigital.co)