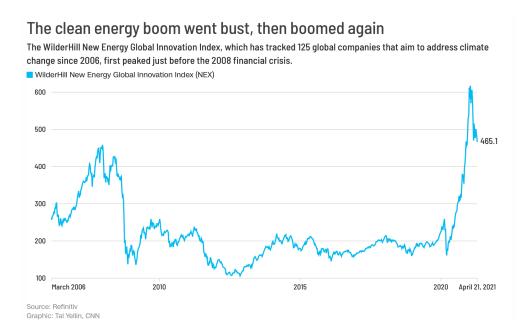
## The last clean energy boom turned to bust. Will this time be any different?

**London (CNN Business)** Investors who back upstart companies are known for their optimism. But when it comes to the <u>wall of money</u> pouring into <u>clean energy</u>, their enthusiasm is tinged with concern.

"I always worry something is going to happen and it will suck the wind out of the market," said ..., who led energy and clean tech investing at ... between 2008 and 2010.

Funding for clean tech projects is undergoing a massive boom. A record \$501 billion was pumped into the energy transition in 2020, according to BloombergNEF. The WilderHill New Energy Global Innovation Index, which tracks shares in 125 global companies that aim to address climate change, hit an all-time high earlier this year.

But the failures of a decade ago still loom large. Before the Great Recession that followed the global financial crisis, ... poured billions of dollars into sustainable energy startups they thought could become as big as Google. Then, as losses mounted, they fled — tainting the sector for years. By 2012, the value of venture capital deals in climate technology had slumped to a measly \$1.1 billion.



A lot has changed since then. The cost of producing renewable energy has dropped dramatically, making wind and solar power competitive with fossil fuels, while investors,

governments and top companies, from Amazon (<u>AMZN</u>) to JPMorgan Chase (<u>JPM</u>), are injecting billions of dollars into sustainable projects. ....

But investing in young firms and complex new technologies always carries risks. The question is whether this time around, investors are prepared to stand by their climate convictions and stay the course, even if things get tough.

"I believe the fundamentals are there to build world-changing businesses," ... said. "That doesn't mean all the companies funded right now are going to be that."

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In recent years, though, fears have started to subside. Crucially, technological innovation and huge investment from China have pushed down the costs of renewable energy sources, which are increasingly competitive with traditional fossil fuels.

"This current surge is all about economics," ... said.

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