



## Stanford eCorner

### Public Policy Support of Alternative Energies

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Venture is more policy-influenced than ever before, says Erik Staser, Mohr Davidow Ventures partner. For the first time ever, public policy has a horizon of investment tax credit to help facilitate long-term investment in clean technologies. Says Straser, the Valley is learning to plan its investment strategies within the confines of burgeoning and supportive policy framework.



#### Transcript

In several of the long waves you're mentioning, not just clean tech but also health and healthcare and biotech, there's a big public policy component that I'd love to get your thoughts on. We don't know yet who is going to be president, but what advice would you have for either candidate with respect to public policy that needs to support the kind of growth that you're talking about? I think it's a great point. More so today than ever before, venture is more policy-influenced than it has been. There are two sides of it, one is, I think for the first time with the passage of the significant legislation that came through on Monday, I believe, we now have at least in solar and a couple of other of the renewable areas. For the first time ever, policy that has a time horizon of eight years which gives enough of a signal to Silicon Valley and the research universities and to entrepreneurs that you can orient this way and you can practice your business knowing what the business environment and framework will be around it. Versus historically, in renewables, here in the United States, we've had an incentive one year then we turn it off. Then we turn it on, then we turn it off. Then a new senator comes in, we turn it back on. The message to business is, we don't know what we're doing so don't trust anything here. This is not a serious issue and we just waffle back and forth.

I think now with the current passage of the extension of the investment tax credit and others, I think for the first time, you're starting to see people be serious about these areas as a growth business and also for securing jobs and manufacturing capacity in the United States. The second part of it is to realize that most of these industries are not dominated by the United States. And so I think more so in clean tech than in our other practice areas, the markets for these companies are not domestic. The biggest markets are international, and the question is, how do you service those markets from Palo Alto or Houston or New York City? That is a challenge that other areas around the world that have startups have dealt with more so than Silicon Valley. But I think we're learning how to do it. Policy is an increasing part of the landscape and one that the Valley, I think, is learning how to do.