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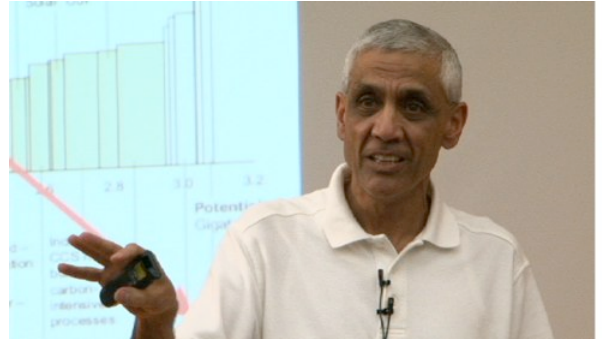
Emerging Energy Solutions Must Compete on Price

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Forget every argument and industry lobby previously put forward regarding the evolution of green energy alternatives. For Vinod Khosla, founder of Khosla Ventures, if a technology doesn't meet the "Chindia test" - meaning that it is cheaper than the current status quo in China and India - then it is not a viable, scalable, and cost-effective long-term alternative. Anything that will uproot the global reliance on oil or coal must be less expensive, else it will never gain traction in the global marketplace.



Transcript

Let me move on to renewable energy and talk about what's important. Most of what you've heard about renewable energy I find relatively uninteresting, wrong, immaterial, hybrid. So are they important? Not really. Wind, is it important? Not really. Is solar, photovoltaics important? Not really. Maybe I'll try and explain to you why. Because these three things are what matter: when people talk about photovoltaics or when they say, well, if you grow 30% a year for 10, 15, 20 years, become 5% of worldwide electricity. I believe that. What about the other 95%? It's relevant scale that matters. And none of these technologies can get to relevant scale until they're at relevant cost.

And there's only one relevant cost and that's cheaper than their fossil competitors. Nothing else matters. Nothing else scales. Nothing else solves the climate change problem. And adoption is important and maybe I'll come back and talk about this. So, I call this the "Chindia test". If a technology doesn't meet the Chindia price - the price at which it will be adopted in India and China, and remember there's no subsidies for any of this stuff in most of the world. They have to be cheaper than coal or cheaper than oil. Otherwise it doesn't work.