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Law, Policy and Climate Tech - Dan Dorosin
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Dan Dorosin, a partner at the law firm Fenwick & West, Discusses the unique legal and policy challenges faced by climate and sustainability startups, from navigating the intricacies of the Inflation Reduction Act to addressing funding complexities influenced by changing legislation. Gain insights into startup financing, law and policy implications, and the evolving landscape of climate tech entrepreneurship. Hosted by Mike Lepech, professor of civil and environmental engineering at Stanford's School of Engineering.

Transcript

Dan Dorosin:

The important role that policy can play for a climate and sustainability startup is different than what I've seen in past times in my career with things like the Inflation Reduction Act, the Infrastructure Act, I think, is more profoundly impacting and creating opportunities for climate and sustainability-focused startups.

Michael Lepech:

Hi, and welcome to the Move Fast and Fix the Planet. I'm your host, Michael Lepech, professor of Civil and Environmental Engineering at Stanford. I'm also an associate Faculty director of STVP, the Stanford Engineering Entrepreneurship Center, where we empower aspiring entrepreneurs to become global citizens who create and scale responsible innovations.

Of course, one of the biggest global challenges we face is climate change and the sustainability of our planet. In each episode of this podcast, we'll talk to a different expert about entrepreneurship in climate and sustainability and what's different about it, if anything, from entrepreneurship in other spaces.

Today, we're welcoming Dan Dorosin. Dan's a corporate partner at the law firm, Fenwick & West. With over 25 years of experience in Silicon Valley, he specializes in providing legal counsel to technology startup companies, including climate tech companies and to the venture capitalist investors who fund them. His background includes serving on the executive management teams of several VC-funded startups and a public technology company earlier in his career.

Dan is also a lecturer here at Stanford teaching on startup company formation and financing and serves on the STVP Board of Advisors. He also serves on the board of directors of the Pacific Forest Trust. His BA is here from Stanford in economics, and his JD is from UCLA. Welcome, Dan.

Dan Dorosin:

Thank you, Mike. I am delighted to be here with you.

Michael Lepech:

Well, we have lots of stuff that we want to try to cover today, so we'll jump right into it.

Dan Dorosin:

Alrighty.

Michael Lepech:

With your extensive experience representing startup technology companies, what do you think are some of the legal issues pertaining to climate and sustainability startups? Do you think that they're different compared to tech startups in other domains that you've worked with?

Dan Dorosin:

We, of course, have discussed this topic during the spring quarter and the seminar. I think my threshold observation would be as every startup, every technology-based startup has a unique set of issues that arise from its technology, the market its approaching, the current government situation. There's just a whole range of considerations that entrepreneurs have to navigate.

In that respect, what I'm observing are for climate sustainability startups, the construct of having to navigate multiple issues and apply them to your unique situation is not different than what I've seen for years and years with startups. Core issues such as assessing risks in the business, figuring out how to attract capital, how to allocate control between the capital providers and the founding team and the employees, product market fit, how do you go to market, do you have that core product market fit, do you have the right team, the right technology? All those conceptual aspects, in my experience, continue to be there for climate sustainability startups.

There are some core differences, I think, having said that, that I'm observing. One, that you and I have talked about at times, is I think the important role that policy can play for a climate and sustainability startup. It's different, I think, than what I've seen in past times in my career where, yes, government regulation and navigating that has always been important, but with things like the Inflation Reduction Act, the Infrastructure Act, hopefully, there's more similar legislation to come, state and local legislation.

California is a whole range of legislation that, for example, is coming out of California, I think is more profoundly impacting and creating opportunities for startups or climate and sustainability focused startups. In that context, I'm seeing a greater need for these startups to, at an earlier stage, and with more deep expertise, have the ability to deeply understand how legislation is going to affect their business, the Inflation Reduction Act, tax credits, having feet on the ground in Washington.

I'm having startups in a way I've never seen before or earlier with startups having inside the beltway, lobbying firms on their team, or in some cases, actually having executives who core competency is built around policy. How do you deal with the Department of Energy? How do you deal with Congress on interpreting or influencing legislation? Those are some key differences.

The other major area is for many climate startups that are seeking to fundamentally reinvent core aspects of an energy industry, energy storage, green hydrogen, any number of things, the amount of capital those companies require is extraordinary, as we all know. In many cases, traditional venture capital isn't a perfect match for that. Having core competency around project finance and other financing vehicles, very large expansion financing vehicles is something that's new and different for these startups than what I've seen for enterprise software companies 15 years ago or something.

Michael Lepech:

Do you think that that makes it harder for firms in this space because there's additional layering of this kind of as you kind of framed it, policy risk, and not that it wasn't already super difficult to get a company to go from idea to success, is it harder or just different?

Dan Dorosin:

Different, I mean, I think Tina Seelig says, "It's an opportunity," right? Challenges are also opportunities, and I'm seeing lots of companies either leverage, again, we'll just focus on the Inflation Reduction Act for a moment, leverage the opportunities created by, for example, particular production tax credits or investment tech credits that create opportunities in their go-to market, in their product market fit, that lead them to craft how they might run their business, leveraging those opportunities, but at the same time, absolutely, there are challenges, having the vagaries of how those will be interpreted.

Then, this probably gets beyond the scope of this conversation, but it's politics. It can change. There are multiple agendas going on in a piece of legislation like the Inflation Reduction Act. Yes, it's trying to, well, look at it just its title, it was titles inflation. It does a ton around climate, but it also has a strong bent towards improving labor conditions and revitalizing particular economic zones that perhaps maybe had coal plants in the past. Challenges and opportunities, both.

Michael Lepech:

I want to drill down a little bit on one of the comments that you made about startups in this space, getting into the policy space maybe earlier than you would have thought previously. For startups that are thinking about the space, is it ever too early to interface with K Street?

Dan Dorosin:

That's a great question.

Michael Lepech:

Of course, K Street being the [inaudible 00:08:32].

Dan Dorosin:

Yeah, yeah, yeah, absolutely. No, no. Yeah.

Michael Lepech:

[inaudible 00:08:34] for policy lobbying [inaudible 00:08:36].

Dan Dorosin:

Policy Avenue in Washington DC, I don't think so. I mean, I'll give you-

Michael Lepech:

With the caveat that such consultants are not cheap, and capital efficiency is an incredibly important part of any venture-backed startup.

Dan Dorosin:

Absolutely, but I guess, another take on this is climate means so many things. It's like Sam, I'm focused on tech, there are just many, many aspects and attributes and problems and opportunities in the world of climate and sustainability that entrepreneurs can approach through the vehicle of a new venture raising capital to solve a big problem that they identify.

For some of those companies, it is truly, they're going to need to figure out how to raise $500 million over time and reinvent the way that cement is made, a world that I know well or solve the riddle of clean hydrogen and what have you. There are also a lot of startups, many startups, I see more and more that are leveraging opportunities created by changing regulation, changing policy views, and building businesses around those opportunities.

I'll give you one small example, a company called Crux Climate, which the founders had the vision to say, "Hey, the Inflation Reduction Act is creating all these investment tax credits and production tax credits that are transferable." It's a fundamental difference in how the whole tax equity market has worked in the past. These are transferable.

They've created a marketplace, it's software, I take it, they've created a marketplace and a business opportunity and a venture financial startup leveraging that to create efficiency in the market for transferable tax credits to help facilitate the finance of clean energy. Is that going to require hundreds of million dollars of capital from Project Finance? No.

Is it going to require a lobbyist on K Street? It could, I don't know, I don't know, but what I've seen is these founders deeply understand the policy, the rules, as part of their core competency to establish to create a product market fit and how to go to market, and is there a business opportunity and saying, "My gosh, I'm going to launch a business around this," recognizing this opportunity created by this enormous piece of legislation.

Michael Lepech:

I guess, as we think about founders and founding teams and skillsets, it brings in another attribute of founders that venture capitalists look for and if not, necessarily a very deep knowledge of the policy, an awareness of how important the policy is and how to leverage it for your success.

Dan Dorosin:

Yeah.

Michael Lepech:

We'll just layer on another thing that founders need to do well, right?

Dan Dorosin:

Yeah, but again, this kind of comes full circle, and obviously, I'm not a professional investor, I'm not a venture capitalist, but I've had the good fortune to work around a lot of great investors and watch and hopefully help in small measure of the building of companies, first principles, the beginning of our conversation, what's changed, what's not changed.

What's not changed is entrepreneurs need to have passion and deep domain knowledge of the problem they're going to solve and resiliency and flexible all those things, but at core, they need to know the market they're going to go solve. It so happens for many of these companies today, from what I'm seeing, that deep domain knowledge includes understanding how government regulation affects their go-to market, the business model, how their customers, how does this product pencil out for our target customers?

For example, if the government creates some incentives that we can craft our business to leverage, we can then create an opportunity to scale because we go to Middle America Energy company to say, you adopt our solution. We fit squarely within these rules and you can proceed. To your question, the core competency of knowing your business cold and being able to demonstrate that to partners, investors, customers, I think continues to be a critical attribute for successful entrepreneurs.

Michael Lepech:

You had mentioned the class we taught last year and how much of the findings were, a lot of stuff is the same when we talk about entrepreneurship in the climate and sustainability space. This is one of those things where it's a little bit different.

One of the other things that I'd like to drill into a bit more, you talked about an example where it's a startup that is taking advantage of new tax policy and the way we treat some of these tax opportunities. I want to talk a little bit about longevity in that in the policy space, there are, of course, changes in administration. Every election introduces the risk of a change of policy.

Does that create more fragility or higher risk in this space? Do you think, maybe the European Union, which tends to have maybe a little bit more steady regulatory policy in this space, does that provide an advantage to startups in this space operating in the EU sphere? Let's ... with the longevity piece, how do you think about that?

Dan Dorosin:

I think that is a very compelling and legitimate question. I think it is a risk, and I suspect that there is some concern, and that does create some challenge for startups. Fundamentally, their business is dependent upon a particular credit, let's just say.

Michael Lepech:

Yeah, you're at risk of what we call like stroke of the pen devaluation, right?

Dan Dorosin:

Yeah, I think that's right. I certainly don't, the example we shared around the transferable tax credits, I don't know enough about their core business plans to know how that's fit into their company, but I think it's certainly a risk, and I think, I suspect the expectation is that once they were able to create some presence in the market, the expectation is there would continue to be a tax equity market in that particular example that would make meaningful a marketplace that facilitates a fluid, liquid market for tax credits of some description and for as long as there's always been tax credits.

At bottom, I think it's a fair point, and it's actually something that, as a citizen, gives me some sensitivity that a change in administration with a stroke of the pen, as you say, could seek to fundamentally change some of the incentives that have been created in recent, certainly, in federal legislation.

Michael Lepech:

Sure. I guess to some extent, that has always existed. I mean, if you think about many of the companies that were formed due to the restructuring of the changes in healthcare under the Obama administration, those, of course, have been subject to the same type of legislative risk and yet, when those policies get implemented, it's often difficult to roll them back even with changes of administration or changes of Congress, simply because things do get built within those frameworks. Do you think Europe has a distinct advantage in this or not?

Dan Dorosin:

I'm not seeing that as a startup lawyer in California. I'm not seeing a migration to businesses being formed or fundamentally focused on the European markets, but I think markets and businesses typically prefer certainty to uncertainty, and that could evolve to be an advantage or cause more startups to focus more to their go-to market to the EU...

Michael Lepech:

Sure.

Dan Dorosin:

... but I'm not actually seeing that in from what I'm sitting from a legal point of view.

Michael Lepech:

Sure, and I think that's really important. You also made mention that we are sitting here in California, and so federalism is alive and well, state law still also plays and state tax policy also plays, and being one of the world's largest economies. Do you think California law has a place to play in trying to incent climate and sustainability-focused startups in a way that is meaningful here in the United States?

Dan Dorosin:

Yeah. I mean, well, again, this is certainly right now, there is pending in California two large pieces of legislation around climate disclosure and description of climate risks that are, as I understand it, sitting on the governor's desk. Again, I don't think this is a startup lawyer issue per se, but certainly, it shows California trying to take a leadership position. I suspect that that is rippling through, again, coming to our conversation here, leading entrepreneurs to see opportunities to leverage legislation like that and the momentum that they may create nationally.

For example, there are any number of startups out there that are not oil the ocean's technologies. It's not as if they need to raise $500 million or something, but are saying we are going to create a platform, a solution for assessing your climate footprint, for assessing your reporting of climate risks as according to whether it's CSEC's rules, which eventually are going to come. It's just, we've all been waiting for it. I guess it's coming up on a year and a half or more and California rules, NE EU rules.

Again, to me, an observation I would make is that this highlights classic first principles of for what I see, I've seen my whole career with entrepreneurs launching high growth, venture capital finance startups, is seeing an opportunity in the market created by some market need, reporting your climate disclosure and creating businesses around that, built around deep domain knowledge of scopes one, scope two, scope three, carbon footprints, and what have you.

Michael Lepech:

Yeah, and I think you're spot on in that anytime we see a shift, whether it's a market shift, a regulatory shift to technology shift, opportunities get made, but that doesn't mean that the fundamental principles of building a startup and knowing your customers and providing value have changed. Those are still core.

Dan Dorosin:

Yeah, and I think hearkening back to the course last spring, I agree that there are differences. I don't think one can make light of that, but I do think some of the core entrepreneurial qualities, passions, and focuses that come out of STVP, for example, continue to be core to what allows people to create great solutions from nothing, to say, "There's a problem, I feel like I feel passionate about it, I'd like to go solve it, and I'm going to do it through the vehicle of this new business enterprise."

Michael Lepech:

Absolutely. One of the things that we have touched on a couple of times already, is multi-stage financing. The multi-stage financing process for startups that are focused in this space can be intricate. What do you think from a legal standpoint, are some of the things that founders should think about in the differences around multi-stage financing? That can go from preterm sheet negotiations to closing of institutional rounds and even beyond that, as it makes sense?

Dan Dorosin:

Yeah, well, there's a lot there in your question, and I think it's a really important question. As I think about, there's questions around what stage of financing are we talking about, and I think that informs a lot of it. For example, for early stage fundings, and this is true at every stage, but particularly for early stage fundings for a new startup, the questions of who are those anchor tenant investors are and do they share your passion and vision and desire to kind of roll up their sleeves and help you build a business to seed the company. I think at seed financing stage, those considerations are critical.

From a legal point of view, what we often try and see is to sort of streamline and minimize the friction in getting that done, minimize the control rights, sort of the classic, simple, safe financing where people just say, let's figure out how to get several million into this business and let them go create value. To be clear, the spirit from a deal execution and legal point of view to minimize friction and have a reasonable balance of control rights is true at every stage of financing, but I think early stage, those are really amplified.

Michael Lepech:

I guess, I would say those first few board members that are going to be your first institutional rounds are probably pretty key to making sure that they're bought into the mission and that they're aligned with the values of the firm.

Dan Dorosin:

Yeah, I think that's right. In a first priced equity round and which is typically the moment when a startup's board of directors goes from being founder-controlled or entirely founders perhaps, to a different constitution of the board, I think those are really important questions, and it is one of those things where it's hard to who would disagree, but having investors who are deeply committed and really leaning in on what it is you want to accomplish and being more than balance sheet cash, I think there's something to that. I think I do and that continues to be true.

Later stages is one of the challenges for many startups is as they layer multiple rounds of classics, preferred stock financing, sort of from A to B to C to the whole alphabet soup sort of thing, is you get a more complicated capital structure and with a more complicated capital structure, often, there can be complicated governance rights, controls that different groups of investors have asked for as part of their financing.

That creates much more complexity and differing economic interests that can occasionally create friction in how a company moves forward. Those later financings then become, obviously, more complicated and time-consuming, but the core principles of, or the management team thinking about how do we balance the set of rights around control with our ability to get the money we need and sort of keep our proverbial eye on the ball of what the core mission of the business is and how do we get there.

Michael Lepech:

You can correct me if I'm wrong here, it seems as though there may be more opportunities for non-dilutive forms of capital in this space simply because of the mission. Whether that is guaranteed government loans, whether that is a variety of other quasi philanthropic, so does that complicate things for startups where you have all of these different sources of potentially non-dilutive capital? I mean, it seems like a good idea because it's non-dilutive capital, but does it make things easier or does it make things harder when you talk about running [inaudible 00:25:39]?

Dan Dorosin:

Yeah, I don't know if I'd use easy or hard, but I think, again, it's an opportunity. It's a big opportunity and certainly seeing a lot of that both companies getting philanthropic investment, [inaudible 00:25:52], whatever one what calls it, but capital that might have other objectives, then I want to see a 10X return. I think that is real. Ditto, government grants, certainly many companies going after government grants.

To take that for a moment, applying for a large DOE grant, is a major undertaking, right? It's a core competency that's many startups in the past, maybe you did an RPE grant application at the founding stage, and it was a pretty straightforward process and the founders kind of figured out how to get done. On the other hand, I can think of a couple startups where there is somebody on the management team who has spent an extraordinary amount of time applying for a DOE loan, and the process is quite extended.

Michael Lepech:

Oh, a startup I'm involved with has done it, and it's a multimillion dollar effort to write the proposal effectively.

Dan Dorosin:

Yeah, you've witnessed it firsthand from your involvement with that company, I suspect, and it sort of doubles down on the need to have policy, whether you call it expertise or focus, but you're developing relationships with people that are involved with that loan. If you're part of the discussion when DOE is trying to describe how they want to write the requests and what should be the priorities, and you're invited into that discussion, you can help inform and influence perhaps the direction of how it goes, But yeah, they're very complicated processes.

Then, on the philanthropic, what I've seen is it's perhaps a little bit simpler to get it done, but there's always elements kind of a layer down. There's different reporting, maybe the philanthropic wants to know you're going to use this capital to do a particular project in a particular geography and accounting for that and tracking that and making that match up with your Sand Hill Road investors, usually, I mean, so far, if these things are playing out seem to work, and we'll see.

There's even a seemingly nascent, almost cottage industry of organizations who promote themselves as holding themselves out to young startups as, let me help you go scurry through the nooks and crannies of local, state, federal, perhaps EU rules and legislation to help you find pockets of money that you can go non-dilutive financing that you are well suited to get.

Michael Lepech:

Yeah. Investors love just cookie cutter corporate structures, things like this. I mean, there's a reason why everybody incorporates in Delaware and all those other things. Is a B Corp a suitable opportunity for a startup? First of all, what is a B Corp, Dan?

Dan Dorosin:

A B Corp, is actually goes through a certification process with an organization that administers, sort of blesses that you do certain things in an appropriate way. I'm not bumping into B Corps per se as much, as I am seeing businesses form as public benefit corporations under Delaware law, which is a pretty low friction, simple approach. I'm seeing more of that, and that's not a problem. I'm not seeing that as a problem.

Michael Lepech:

Okay.

Dan Dorosin:

I think there's a certain amount of self-selection of the investors who have a... One might imagine that the investors who have a predilection to support businesses that are focused on some of these climate and sustainability challenges, again, at the same time while being 100% full bore on making 10X returns, and these are capitalists. This is not, I don't think any of us mean to suggest anything different, but if you're a public benefit corporation in Delaware, that allows the board to take into account other constituents, then purely stockholder interests, I've not seen that become a speed bump at all.

Then, the B corps, I'm just bumping into those less frequently, but I think those companies, they're able to attract capital very readily, and it kind of goes for the first principles. If it's really important to the founding team, they should do it because at the inception, it is their company. That will not-

Michael Lepech:

It's a very interesting way to signal to potential investors how serious you are about that component of the business.

Dan Dorosin:

Yeah. No, I think that's right. Having said that, I think at core, I'm seeing more and more founding teams that it is so viscerally, so deeply a part of their mission. I mean, I don't want to get on a soapbox here, but it is at core, so a core part of their business or their vision and their passion and their reason for doing what they're doing, that whether it has a B Corp or a public benefit corporation label, if dare I say, I don't know that that is the litmus test.

I think it's really when people sit down with an entrepreneur or a founding team and say, "Boy, she is just so, this is in the fabric of what she's trying to accomplish." I think that comes through when people sit and talk with you.

Michael Lepech:

Do you think that some of those things complicate the M&A process when there's a potential liquidity event? That could also be one of the questions that folks ask is that, as an investor, you've got these founders who are incredibly passionate. Yes, you're aligned on this, but then as we've said, the venture capitalist is still looking for the same kind of returns, which means a liquidity event, typically M&A down the road and having all of those things as part of the corporate beneficial structure or B corporate, can that complicate the M&A down the road and what you're seeing from your seat is that, no, it doesn't.

Dan Dorosin:

Yeah, I'm not seeing that. I think, you know.

Michael Lepech:

That's really important because that means that it's more likely that folks will go down this road then because there has to be some kind of liquidity at the end in order for these to get financed.

Dan Dorosin:

Yeah, and I think we're a little bit in the early, I won't say early stages, but I mean, don't know, I'd be curious what your impressions are. It feels like it's really been in the last five or some years where we've really seen the resurgence in some of the focus on these domains, and the cycle for some of these companies is longer. I think there's a lot of M&A yet to come, but I'm certainly not seeing anything that indicates that, for example, being a public benefit corporation would somehow put the skids on a buyer's enthusiasm to buy a company or say, "Well, we discounted your value because of your corporate structure." I have not seen that, at least from where I sit.

Michael Lepech:

I think you're spot on there. I think in the Clean Tech 2.0 kind of phase as we are right now is still a little bit new in order to be able to really see if there's an impact in the M&A or liquidity event space. We're not quite to that part of the cycle yet, and I think it's going to be fascinating to see what happens.

Dan Dorosin:

Yeah, I'm excited to see what unfolds or continues unfold.

Michael Lepech:

As we sit here and talk about, early stage financing and then M&A and liquidity events, you have helped a lot of companies go from formation all the way to exit. If we think of the life cycle of a tech startup that's kind of in this space, is that lifecycle different? We've talked about a few things here and there, but overall, is the lifecycle that different and is the end goal any different?

Dan Dorosin:

I think there's two pieces there. I think the lifecycle probably is, again, for some companies trying to fundamentally, again, I'm not a scientist or a technologist the way an engineer as you are, but fundamentally to reinvent the way we create energy or the way we grow food, I think the lifecycle could be quite long for those companies to form, perfect technology, prove out technology, and scale in the market, could be a long time.

That raises a whole set of issues that I think really steer us towards saying, "Boy, entrepreneurship might look pretty different in this world." I think it is longer, and I'm actually seeing some startups as just anecdotal, move from four-year to five-year vest schedules, which we saw in 1.0.

Michael Lepech:

Wow.

Dan Dorosin:

Yeah. I've seen really seriously consider moving back to, over to a longer vest. To the question of the end goal, I don't know that that's uniquely legal question. I'm sharing, these are some of my other comments, I think these are more observations from somebody who is an active supporter of people launching businesses in this domain.

What I'm seeing, and one is one of the things that I am most excited about is people often young, honestly, coming out of a university or what have you, with a greater belief and passion for the end goal, the articulation of why I'm doing this and the problem I think I'm solving and how important it is to me and how I communicate those messages to the world, be it on my website or what, that end goal is being, I'm seeing that more strongly stated than perhaps I did in the past, much more people saying that this business, we're doing this because we see this huge problem and we want to make a dent in this problem.

I think that's compelling. I don't think that's a legal issue, so as a citizen's observation, but I am seeing that and I think that is encouraging to me that there's people that are using their skills and their expertise and their energies to solve problems that may benefit many, many, many people in a very broad way.

Michael Lepech:

Dan, as we record this, we recently had UN Climate Week in New York, and I know you were in New York for UN Climate Week. Did it feel different? Was it the same? Was there things that you were excited about from Climate Week that you'd like to share with us?

Dan Dorosin:

There's a lot of information out there of people's views and summaries of climate week, so I won't try and trump all that. I think for me, being in person with many of the people that I'm involved with is always a great thing. Seeing that level of focus in one place at what time is compelling. I think that the question is, is this going to move the pile and are we doing things that really going to matter? I personally think it does. I found it a very productive week covering just a whole range of topics. I came away energized, not discouraged.

Michael Lepech:

Well, before we finish, we have a little segment that we'd like to do at the end called Four to Fix the Planet.

Dan Dorosin:

All right.

Michael Lepech:

It's a series of questions that we ask all of our guests. Are you ready?

Dan Dorosin:

I'll try.

Michael Lepech:

All right, what's on your bookshelf, your playlist or your feed right now?

Dan Dorosin:

Boy. Okay, reading. I just been reading, actually, I read a couple books on water and sort of back to back Cadillac Desert and Dreamt Land by Mark Arax. One, is sort of a history of water in the west, and the other is more of the role of water in California in the Central Valley. Fascinating. Sometimes you hear the expression that if climate is a shark, water the teeth, and I think there's something to that. That was very interesting.

Then, I make it a habit. There's so many great daily or weekly email blasts and ways to get smart on a whole range of things. Canary Media, I always find four days out of five, one of their articles is relevant to something I'm doing. Climate Tech VC, I think the work they're doing is, I always come away from reading one of their things smarter than I was before. Rocky Mountain Institute, again, same thing. There's just all those make me better every day.

Michael Lepech:

The water issue, both in the Western United States and in California is such an interesting confluence of legal questions...

Dan Dorosin:

Oh yeah.

Michael Lepech:

... because water rights are a legal question, but also a physical question that water is a physical resource and therefore, you can only do so much with it. The way that it is an annual resource, it's cyclical and that it is such an interesting topic.

Dan Dorosin:

Yeah.

Michael Lepech:

Number two, what's keeping you up at night?

Dan Dorosin:

Are we going to get there? I mean, again, I believe there's a problem and I wonder if we'll get to 1.5 or anything near it. I guess, an adjunct of that is in so many instances, there's such a free rider problem in a lot of this and making sure that the political appetite to continue to put our shoulders against this, doesn't wane either domestically or elsewhere.

Michael Lepech:

Number three, what's given you hope?

Dan Dorosin:

I mentioned it before, smart and passioned, young entrepreneurs saying, "I want to go solve this. I want to work towards this." I mean, there's just, obviously there's thousands of people like that, millions, I hope. I think that is reason for great optimism. I mean, I think creative, smart people, creative, focused, committed people can solve big problems.

Michael Lepech:

All right, and finally, what's your favorite sustainability hack? Something that people listening could do to add to their day-to-day lives that you think would make a great difference.

Dan Dorosin:

[inaudible 00:41:09], ride a bike, when you can, ride a bike and then more, there's some levity in that. Then, I think there's just lots of little things that I try, all of us try to do. We all have our own things, but there's a lot of just really small things, reuse that water bottle, if you can bring your own bag to Trader Joe's. I mean, I think there's many, many small things. The little things matter. I try and that's, I guess part of my hack is doing that and riding my bike.

Michael Lepech:

That's great. I've been talking with Dan Dorosin, a corporate partner at Fenwick & West who has extensive experience here in Silicon Valley thinking about climate and sustainability tech startups among others. Thank you so much, Dan, for joining us and talking with us today.

Dan Dorosin:

Thank you, Mike. This was great. I mean, this has been a real pleasure. Thank you.

Michael Lepech:

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