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S.F. renewable energy startup looks to launch portfolio with hydro power

East Bay Business Times - by [Mavis Scanlon](#)

Jon Bonanno believes his new venture, independent power producer **Principle Power**, could be a formidable player in the market for renewable energy within five years.

Although it is an ambitious goal, the company has wasted no time. Late last month it submitted a preliminary application to the **Federal Energy Regulatory Commission** for a small-scale hydro project with multiple sites on the McKenzie River in Oregon.

The San Francisco company, with offices in Seattle, Portland and overseas, has three other areas it plans to focus on in coming years: Large-scale solar, waste to energy conversion facilities, and energy storage. It will look for utility customers in states such as California that are actively seeking to boost the amount of energy they sell from renewable energy sources. California's mandated renewable portfolio standard calls for the state's utilities to generate or have under contract 20 percent of its power from renewable sources by 2010.

"If you are credible, if you have a price that is competitive, and if you have a project that fits into their RPS mandate, those three gating factors will lead to successful projects," said Bonanno, chairman and president of Principle Power.

The entrepreneur, technology veteran and passionate clean-energy advocate founded the company in early January with Alla Weinstein, the former CEO of ocean energy technology company AquaEnergy Group, Ltd., which was sold in 2006 to the Irish renewable energy company Finavera, Ltd. Bonanno and Weinstein formed the company with founding partners Craig Andrus in Barcelona, Anton Shihoff in London and Sebastian Fernandez in Mexico.

Bonanno, who is the chair of the Cleantech Investment Committee for Keiretsu Forum, the Lafayette angel investor network, met Weinstein, a member of Keiretsu's Seattle chapter, at a wave energy conference in Hawaii. Keiretsu has invested in 12 clean-tech companies over the past year and served as mentor to several companies that participated in the California Cleantech Open, an annual competition for people who are interested in launching a clean-technology company.

Bonanno said it is "far too early" for the company to have engaged in material discussions about power purchase agreements with utilities. His ambitious first-year target is to have one good hydro



Stephanie Secret | East Bay Business Times

Jon Bonanno of Principle Power, a new venture.

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project under management; the FERC application was the first step toward that goal. The plan is to build the company in stages. It is starting with hydro first, due to its modest capital costs and low technical and operational risk. The company plans to partner or license proven technology for its hydro and solar projects. As it is developing the initial hydro project it will simultaneously be looking at developing solar projects using solar-concentrator technology; those projects will likely be overseas.

Principle is looking to raise \$1.5 million in first-round venture capital funding. The funding is already about half-committed, Bonanno said, and should close "pretty quickly."

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