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## Understanding of government role missing in cleantech sector – Tom Soto

Written by Oliver Wagg

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Understanding the government and its regulatory role is crucial for any successful cleantech investment strategy, said Tom Soto, managing partner of Craton Equity Partners and a former co-lead of US President Obama's White House Council on Environmental Quality Transition Team.

"The single largest concern is the fact that [cleantech investors] don't have a clear understanding of the regulatory framework... in order to effectively price in the valuation of cleantech," and the sector's future performance, Soto told an Austrade seminar in Sydney on Wednesday.

LA-based Craton Equity Partners is the first cleantech fund in the "post Inconvenient Truth era", Soto said, with US\$200 million under management in investments throughout the US and sub-Saharan Africa.

"There is no clear understanding of the role of government. Government should be a friend and a member the family. We must take account of the demands of the government and use those to leverage out higher returns".

Soto said there is a high level of enthusiasm for the climate change negotiations in Copenhagen later this year.

He said the Waxman Markey Bill, which has still to pass through the US Senate, will be a positive long-term driver of the cleantech sector.

"The biggest thing is the fact and realisation from the business community that part of their future will involve cap and trade... and some kind of monetisation of carbon.

"CEO's will have to figure out how they will take that into account and how it effects shareholder interests as well."