



## **Peter Thiel Might Not Like Gawker, But He Loves Energy Storage... And Donald Trump**

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Billionaire tech investor Peter Thiel has been in the news this past week, for reasons that have nothing to do with energy storage and much to do with a certain celebrity wrestler sex tape leading to a spicy First Amendment case aimed at *Gawker Media*.

The *Gawker* case has practically every media stakeholder on the planet riled up, and all that noise motivated a search of the *CleanTechnica* archives to see what, if any, of Thiel's technology investments have crossed our radar. Sure enough, energy storage is one of the few that popped up, as well as some other interesting things.

### **Peter Thiel Is No Fan Of Clean Technology. Yes Or No?**

The *CleanTechnica* archives only contain three main references to Thiel, which is no surprise given his reported suspicion of the clean tech field.

Thiel's clean energy rep, such as it is, contrasts sharply with the activities of many other titans of the tech world.

A-listers such as Elon Musk, Warren Buffett, Bill Gates, and Vinod Khosla have been promoting climate action while frolicking through various forms of advanced technology, including electric vehicles and space rockets, wind energy, solar energy and souped-up toilets (and nuclear energy, but that opens up a can of worms that we won't get into right now), and advanced energy storage aimed at wind and solar power.

The nut of Thiel's reputation stems from a notorious 2011 speech at *Venture Beat's TechCrunch Disrupt 2011 conference in San Francisco* in which he proclaimed:

*Cleantech is an increasingly large disaster that people in Silicon Valley aren't even talking about any more....The failure in energy and transportation points to a larger failure in clean energy — we aren't moving any faster, literally, than we were when modern airplanes first came out.*

That prompted an equal and opposite reaction in the blogosphere. Our friends over at *Green Tech Media*, for example, reported on the Thiel speech with this headline:

*Peter Thiel Doesn't Like Cleantech VC, Mankind*

And this subheading:

*Cleantech too difficult for software and social networking investors.*

And this lede:

*Peter Thiel, known as the “Don of the PayPal Mafia,” declared clean technology a “disaster” at Venture Beat’s TechCrunch Disrupt 2011 conference in San Francisco.*

*OK, folks, go on home. Stop all this saving-the-world, green-energy stuff. It just isn’t working. Thiel has spoken.*

To be fair, as *Green Tech Media* makes clear, the focus of Thiel’s ire was the pace and nature of clean tech investment, not clean tech itself.

That’s not a direct swipe at clean technology, but it certainly is a damaging one if your point is that some of the world’s most powerful investors should keep steering their vast financial resources into software and social media rather than diverting them to R&D for technological advances in wind, solar, and other clean tech hardware.

### **But He Does Love Energy Storage**

Thiel’s public record on clean technology since 2011 does little to burnish his clean tech cred, though you can find some bright spots here and there.

In the same year that Thiel publicly trashed clean tech investment, his Thiel Foundation provided a \$100,000 fellowship to a 19-year-old Princeton engineering student, enabling the young inventor to devote herself to developing a solar panel tracking device that eventually gave birth to the nonprofit organization SunSaluter.

Those of you familiar with Thiel’s views on the contributions of women to the greater social good will appreciate the irony of funding a potentially life-changing technology invented by a person of the female persuasion. His 2009 essay for The Cato Institute’s *Cato Unbound* journal provides a taste:

*The 1920s were the last decade in American history during which one could be genuinely optimistic about politics. Since 1920, the vast increase in welfare beneficiaries and the extension of the franchise to women — two constituencies that are notoriously tough for libertarians — have rendered the notion of “capitalist democracy” into an oxymoron.*

Where were we? Oh, right. Thiel’s clean tech investments. Energy storage.

We mention SunSaluter as a bright spot, but it’s not exactly a clean tech investment, since the \$100,00 — aside from being a relatively small sum for R&D — was an award, not an investment. For that matter, a quick search of the Thiel Foundation’s two dozen or so fellows

does not reveal any other direct clean tech innovations (if you can find one, drop us a note in the comment thread).

The one actual investment that popped up in the *CleanTechnica* archives happened back in 2012. It was a compressed air energy storage venture called LightSail Energy.

The thinker behind the breakthrough technology is another one of those pesky Johnny-come-latelys to the franchise, LightSail co-founder and Chief Scientist Danielle Fong.

Alongside Thiel, initial investors in LightSail included some familiar names: Bill Gates, the energy company Total, Innova Corp., and Khosla Ventures.

The idea was to commercialize an innovative large scale compressed air energy storage technology that could be economically powered by wind or solar energy, by deploying above-ground storage tanks. The company garnered another round of investment in 2013, stumbled a bit in 2014, and then came back in 2015 with an improved version of the technology.

In February of this year, Fong was interviewed by the Wall Street Journal and predicted that LightSail was within “striking distance” of a commercial version for at least one of its two technology breakthroughs, an inexpensive high-pressure storage tank.

The interview also provided Fong with an opportunity for a frank discussion of the reasons why tech investing is not the same as clean tech investing, as summarized by the WSJ:

*Developing the technology and hardware is expensive, and setbacks are common. Even if all goes well, getting a product to market can take a decade or more. Most venture-fund investors, meanwhile, want a quicker payout.*

Interestingly, it looks like Thiel’s investment may not pay off for clean technology, at least not in the near future. In a blog post on April 16, the energy company NRG noted that LightSail appears to be focusing its resources even more closely on storage tank technology, which could enjoy a warm, as in billions of dollars warm, reception in the fossil natural gas industry.

In other words, the dream of a large scale, low-cost way to store wind and solar energy in the form of compressed air is on hold.

So yes, Peter Thiel does love energy storage — just not necessarily clean energy storage.

### **Thiel Loves Government Handouts**

On the topic of wind and solar energy, Thiel’s investment group, Founder’s Fund, offers this rather pessimistic outlook:

*What we need are companies developing sources of energy that are as good as, or better than, conventional sources at lower prices and at scale. Unfortunately, relatively few companies research such sources, preferring instead incremental improvements on long-established alternative technologies (wind, solar) whose physical limitations mean they cannot satisfy these requirements.*

Ouch!

Rather than incremental change, Thiel's group is interested in "an alternative to alternatives," which seems to boil down to nuclear energy — nuclear fusion, to be precise.

In 2014, the Thiel-founded group Mithril Capital management sank \$1.5 million into a nuclear fusion innovator Helion Energy, which won the 2013 Clean Tech Open accelerator award for energy.

In December 2015, Mithril ponied up another \$12 million to advance Helion's nuclear fusion technology, buoyed, perhaps, by the \$4 million in funding that the company received from the Department of Energy just three months earlier, in September.

### **Group Hug For Nuclear Fission!**

That money — yours, mine, ours, and Thiel's — will go to a project called Staged Magnetic Compression of FRC Targets to Fusion Conditions. That project is under the Energy Department's ALPHA foundational research program, which seeks to develop more efficient ways to test fusion technology.

Current methods are bulky and expensive, and they tend to self-destruct when the experiment is over, with a considerable mellowing effect on the pace of progress.

For our investment, we can expect Helion to come up with a prototype for an alternative methodology that will accelerate the nation's path toward a relatively, inexpensive, small scale fusion reactor the size of a truck.

If everything works out, that's a really, really good thing for everybody, as described by the Energy Department:

*Helion's innovation could accelerate the development of cost-effective fusion reactors, which could provide a nearly limitless supply of domestic power and eliminate dependence on foreign sources of energy and limited fuel supplies.*

If you're guessing this is where the Donald Trump angle fits in, run right out and buy yourself a cigar, because Thiel's promotion of nuclear energy dovetails with the policies of another nuclear supporter, Donald Trump.

That could explain how and why Thiel made the cut for Trump's list of delegate picks for California's 12th District.

If you're wondering what kind of person would want to be instrumental in helping Donald Trump to reach the number of pledged delegates needed to clinch the Republican nomination for President, don't ask us. We have no idea. If you have an idea, drop it in the comment thread.

On the other hand, that \$4 million gift of taxpayer Benjamins to Helion does put Thiel in a rather awkward position in the context of his new status as a Trump delegate. After all, it doesn't seem that Trump is a particular fan of government handouts.

Perhaps nobody will notice.