



Executive Summary  
Battery Storage, Smart Grid,  
and Efficiency Funding and M&A  
2018 Fourth Quarter and Annual Report






Funding and merger & acquisition activity for the  
battery storage, smart grid, and efficiency sectors

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**BATTERY STORAGE  
KEY FINDINGS**

- VC funding into Battery Storage companies increased to \$850 million in 49 deals in 2018 compared to the \$714 million raised in 30 deals in 2017, a 19 percent increase.
- VC funding for Battery Storage companies in Q4 2018 declined to \$67 million in 11 deals compared to \$239 million raised in eight deals in Q3 2018.
- There were 73 VC investors that participated in Battery Storage deals in 2018 compared to 86 investors in 2017. The top investor was Breakthrough Energy Ventures.
- In 2018, announced debt and public market financing for Battery Storage companies increased to \$490 million in 11 deals compared to \$177 million generated by 12 deals in 2017.
- Three project funds totaling \$352 million were announced in the Battery Storage category in 2018.
- In 2018, 11 Battery Storage project funding deals were announced totaling \$434 million.
- There were 16 M&A transactions in the Battery Storage category in 2018, of which only three disclosed transaction amounts.

Battery Storage Top 5 VC Funded Deals in 2018






Company	Funding Type	Amount (\$M)
 QuantumScape	Undisclosed	100
 stem	Series D	80
 sonnen	Undisclosed	71
 SILA NANOTECHNOLOGIES	Series D	70
 ionic MATERIALS	Series C	65

Source: Mercom Capital Group

SMART GRID KEY FINDINGS

- VC funding in the Smart Grid sector rose to \$530 million in 29 deals in 2018, compared to \$422 million raised in 45 deals in 2017.
- VC funding for Smart Grid companies in Q4 2018 increased to \$266 million in nine deals compared to \$129 million raised in same number of deals in Q3 2018.
- Smart Charging of plug-in hybrid electric vehicle (PHEV) and vehicle-to-grid (V2G) companies received largest share of VC funding in 2018 with \$348 million in nine deals, accounting for 66 percent of total VC investments in the Smart Grid sector.
- A total of 69 investors participated in funding deals in 2018 compared to 88 in 2017. The top investor was Energy Impact Partner.
- In 2018, four debt and public market financing deals totaling \$1.3 billion were announced, compared to \$774 million raised in five deals in 2017.
- In 2018, there were 12 undisclosed M&A transactions recorded in the Smart Grid sector.

Smart Grid Top 5 VC Funded Deals in 2018






Company	Funding Type	Amount (\$M)
	Series H	240
	Undisclosed	55
	Series C	35
	Series D	32
	Series A	31

Source: Mercom Capital Group

ENERGY  
EFFICIENCY KEY  
FINDINGS

- In 2018, VC funding for the Efficiency companies jumped to \$1.5 billion raised in 23 deals compared to \$384 million raised in 38 deals in 2017. The increase was mostly due to the \$1.1 billion deal raised by architectural dynamic glasses developer View in Q4 2018.
- VC funding raised by Energy Efficiency companies in Q4 2018 came to \$1.2 billion in seven deals compared to \$100 million in six deals in Q3 2018.
- Efficient Home/Building companies raised \$1.1 billion in three deals (one disclosed) and accounted for 78 percent of the total VC funding raised in 2018, compared to \$172 million in five deals in 2017, which accounted for 45 percent of that year's total VC funding.
- A total of 72 investors participated in funding deals in 2018 compared to 51 in 2017. The top investor was Energy Impact Partner.
- In 2018, debt and public market financing announced by Energy Efficiency companies fell to \$277 million in three deals from \$2.9 billion raised by 16 deals in 2017.
- There were seven Efficiency M&A transactions in 2018 (one disclosed) compared to 10 M&A transactions (three disclosed) in 2017.

Efficiency Top 5 VC Funded Deals in 2018

Company	Funding Type	Amount (\$M)
	Undisclosed	1,100
	Undisclosed	64
	Series C	61
	Undisclosed	50
	Series C	36

Source: Mercom Capital Group

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There were 127 companies and investors covered in Mercom’s Battery Storage, Smart Grid, and Efficiency Funding and M&A Q4 2018 Report. The report is 129 pages in length and contains 124 charts, graphs, and tables.

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