



KLD Energy Looks to Raise \$10M for Electric Vehicle Tech

By Katie Fehrenbacher at Earth2Tech

Tue Jan 18, 2011

When we first interviewed former Tesla science director and current KLD Energy's CTO Rob Ferber, he gave us a window into how to break into the electric vehicle market from the perspective of a small startup: basically, focus on China and electric scooters. But that was two years ago, and KLD is now a little bigger. This morning, according to a filing, KLD Energy is looking to raise \$10 million in debt and securities, and has closed on a little over \$2 million of that round.

The financing isn't KLD Energy's first. Last Summer the electric vehicle tech maker raised \$4.9 million in equity, and then another \$2.8 million in equity and debt earlier this month. KLD also announced a \$1 million Series A financing round in 2009, and regulatory filings show a pair of \$2 million equity raises during the first few months of 2010.

KLD Energy makes an electric drive system that includes a battery, battery management system, electric motor and motor controller. The company says its technology can give electric two- and three-wheeled vehicles speed and performance capabilities on par with gas-powered counterparts. KLD's system has no transmission, has high frequency and low RPM, and uses a computerized controller.

Ferber told us last summer that KLD planned to build its business by first deploying its system in electric three-wheelers and scooters internationally (starting in Asia and South America), and targeting the electric scooter market in the U.S. through a deal with Vietnamese scooter manufacturer Sufat (with a starting scooter price of \$3,288). KLD Energy offers the technology for licensing, while its subsidiary KLD Motors America manufactures electric motors using a nano-crystalline composite material at a facility in Vinh Phuc, Vietnam.

As we've noted before, companies that move early and fast to dominate the EV market in China — which has significant government support on its side and could reach \$220 billion by 2030 — could use the country as a springboard for a broader international play.

But remember it's not exactly easy to be a startup electric scooter maker. The business costs a lot of capital (as you can see by the fund-raising), and it's a field that has no shortage of casualties (Vectrix closed up shop in 2009 but has more recently emerged). There's also a lot of competition from players like Brammo, Zero Motorcycles, UltraMotors, Mission Motors, and Vectrix (and that's only the startups).