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

By Katie Fehrenbacher at **Earth2Tech**
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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).