Decision making for demonstration funding: Risk and portfolios

Erin Baker
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Uncertainty

Technological Risk aversion/long tails

Rationale

Risky projects with large upside

Risk implications

Portfolio implications

Diversify technologies

Diversify approaches

Design

Cost of learning/spread out knowledge

Maximize option value

Policy

Costs and feasibility

Projects not profitable under current policy

Add options to portfolio
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Diversify leadership

- “Start ups funded by the top VCs were nearly 90% male. 72% of founders were white ...14% were Ivy League-educated.” RateMyInvestor Report

- companies in the top quartile for gender diversity ....were 15 percent more likely to experience above-average profitability; ... (f)or ethnic and cultural diversity...a 35 percent likelihood of outperformance. McKinsey and Company


- Workshop on Priorities and Research Needs for an Equitable Energy Transition from 9:30-1:30 on Friday, April 28, 2023, in Washington DC. To register: https://forms.gle/1LaW9iP2ns2Q8ze67. More info: https://nsf2026.umasscreate.net
• Diversify Risk Profiles
  • High risk, long tails
  • Opportunity to learn
• Policy risk
• Diversify topics
  • Across technology categories
  • Across approaches
• Diversify leadership
Uncertainty

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