

Energy & Environment X PRIZE Suite

Introduction

The X PRIZE Foundation is developing the Energy & Environment Prize Suite to catalyze a new era of clean, renewable, cost-effective energy with minimal impact on climate and the environment. This effort will result in a suite of prizes with a combined purse value of as much as \$100 million. Each prize will seek dramatic, short-term breakthroughs in a critical area.

The project will start with a nine-month process to select the best prize targets. The first two prizes have been determined: (1) The Progressive Insurance Automotive X PRIZE, which seeks to inspire ultra-efficient passenger vehicles; and (2) The Biofuels X PRIZE, which seeks to engender next-generation, decentralized, sustainable liquid transportation fuels. Additional prize targets will be chosen as part of the Energy X PRIZE Suite from areas such as carbon capture, solar, water, sustainable housing and other categories of interest.

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The X Prize Foundation

The mission of XPF is to create radical breakthroughs for the benefit of humanity. XPF uses multi-million-dollar prize competitions to help solve the world's most pressing and complex challenges. History has shown that inducement prizes are highly effective in opening new markets and revolutionizing industries. For example, the Orteig Prize, won by Charles Lindbergh for crossing the Atlantic in an airplane, ushered in commercial aviation. The Ansari X PRIZE, won in 2004 by the Paul Allen-financed Spaceship One, has likewise spawned a new industry. Competitors spent \$100 million chasing the \$10 million purse. Since then, governments and private enterprises have committed more than \$1 billion to construct vehicles and spaceports for space tourism.

Today, XPF has turned its resources to accelerating progress in other areas, including inexpensive genome sequencing, global poverty, cancer, health care, lunar exploration and energy & environment. It has won widespread acknowledgment as one of the most important new forces in creating positive change. For instance, *Scientific American* named the X PRIZE Foundation its "Policy Leader of the Year" for 2007 and the Clinton Global Initiative featured XPF at its 2007 gathering.

Guiding Principles

The Energy X PRIZE Suite is guided by principles that inform our decision-making and prize development process. It is our intent – and our mandate – to develop prize concepts that exhibit:

- A positive influence on global warming
- Progress toward clean, green, renewable energy
- Equity of opportunity and the fair division of resources, including disparities across gender, geographic and ethnic distinctions
- Global impact

We will actively pursue prize concepts that promote a world where energy is no longer a source of conflict and pollution, such that energy will someday be:

- Affordable and abundant
- Clean and renewable
- Used efficiently and equitably

We will actively pursue prize concepts that restore environmental balance, such that:

- Carbon emissions are declining
- Forests and habitat are secure
- Industry and commerce are accomplished sustainably
- Healthy air, water and living conditions are available to all

Focus Areas

Focus areas are domains that are both "rich" and "stuck." They are rich in potential to dramatically enhance our use of energy, but they are stuck and require rapid progress to solve our planet's urgent challenges.

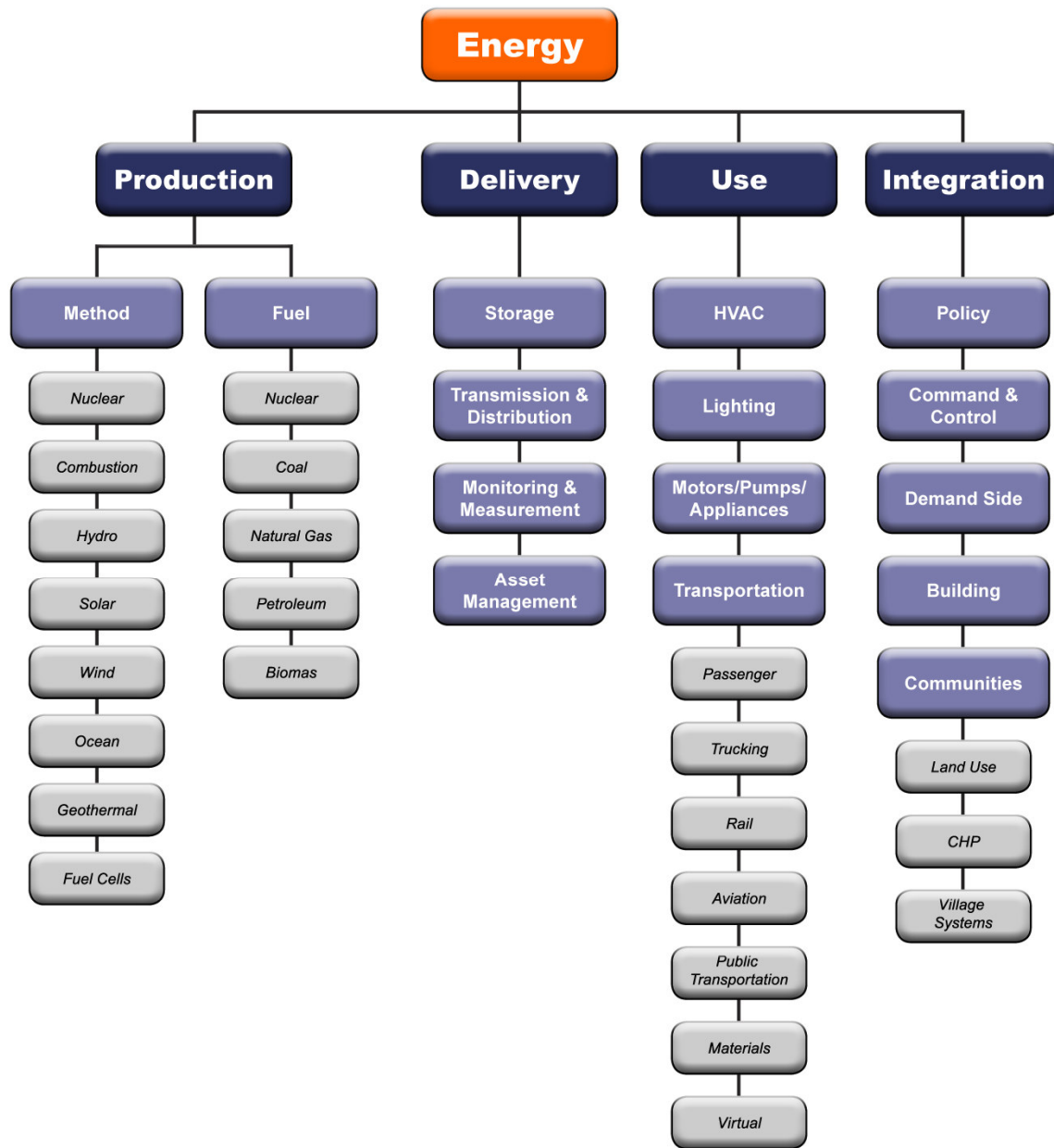
The chart below provides an overview of top-level energy categories. From this larger landscape we are selecting Focus Areas for further investigation.

Preliminary recommendations for Focus Areas include:

- Alternative generation
- Building and housing
- Carbon
- Energy efficiency
- Energy storage

For each Focus Area, we will determine:

- The state of the art – where is of technology today?
- The state of the possible – what is conceivable in the next few decades? What goal, if reached, would define a true breakthrough?
- The problem statements – what are the fundamental problems impeding progress? What is stuck? What is blocking a major breakthrough in this area?



Finally, for each focus area, the X PRIZE Foundation, together with an Advisory Council of more than thirty energy thought leaders, will identify potential prize concepts and analyze their feasibility, cost, risk, impact and adherence to our guiding principles. We will identify and carefully articulate Problem Statements that highlight the "blockage" that the prizes seek to overcome. From there, we will narrow the possibilities to the best three to five prize ideas and package those finalists into understandable and exciting competitions that will capture media, scientific, governmental and public attention.

Over the next nine months, the X PRIZE Foundation will continue to develop new prize concepts and expand our core advisory team to include greater participation from other potential funding partners and leading scientific and environmental experts. A Summit Meeting of the Advisory Council will be hosted by the X PRIZE Foundation in September 2008.