


VentureBeat CleanTech

ImageTree raises \$4.5M for sophisticated forestry monitoring

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In a capitalist society, everything has a monetary value — including the forests. However, determining a forest's worth entails guesswork. ImageTree has produced software that assesses both the economic and the environmental value of forests.

Where traditional forest surveying extrapolates from measuring a tiny sample of trees in any given forest, ImageTree uses aerial infra-red and LIDAR (like radar, but using light) measurement to figure out the size, age and species of every visible tree.

This is valuable both for logging companies, who want to know the worth of their assets, and for green investors. A budding market for carbon offsets needs strong measurement techniques to figure out exactly how much carbon a given forest absorbs.

In the first group, companies, the economics of forestry have already changed. Many forests are now owned by investment companies like real estate insurance trusts, which are more sensitive to profit margins.

Simply clear-cutting forests damages land, can make it difficult to regrow trees and potentially violates regulations, so the practice no longer makes sense for those companies. For them, land is now an ongoing asset — trees should be cut at the right time, and once cut, need to be regrown as efficiently as possible. Knowing their forests more intimately allows them to cut only when it makes sense.

That group is where ImageTree, based in forest-heavy West Virginia, is already receiving business. But the second group, environmental investors, have even more to gain.

Investors have quietly been buying up forests around the world, not to cut, but to preserve — in the name of profits. Although the market is new, those investors are guessing that healthy forests can be traded for carbon credits.

However, budding exchanges like the Chicago Climate Exchange demand accurate measurement. ImageTree can use its eyes in the sky to help develop the fledgling market, which is potentially worth billions for traders.

ImageTree's CEO, Mark Redlus, told us that the company's software is still mastering some of the finer points of aerial surveying, but that it's already more accurate than traditional measurement.

The funding was led by Battelle Ventures, which has increased its investments in the clean-technology sector lately, and now has six investments in the energy and environment sector. PA Early Stage Ventures, which provided the first round of \$2 million, also participated, along with Innovation Valley Partners (Battelle's affiliate fund), the Conservation Fund's Natural Capital Investment Fund, and the West Virginia Jobs Investment Trust Board.