

Excerpt from Green America, Real Green, Winter 2010
<http://www.greenamericatoday.org/pubs/realgreen/articles/GreenEnergyInvesting2010.cfm>

Investing in Green Energy

You can invest in green businesses working to increase US renewable energy generation and energy efficiency.

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Why Invest in Green Energy? Climate change is affecting the market in significant ways. Since the consequences of business as usual will be catastrophic, many experts say that high-carbon technologies like dirty coal and low-mileage cars are becoming less attractive to investors.

Technologies that both meet consumer demand and address the climate crisis are increasingly being seen as the next big area of economic growth, even in the current depressed economy, says Todd Larsen, Green America's director of corporate responsibility.

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Indexes and Index-Tracking ETFs If you enjoy picking individual stocks, on your own or with the help of a financial advisor, you can invest directly in clean-tech company stocks.

Stock indexes make a great starting point for ideas on picking individual stocks that fit certain criteria—and there are some indexes that focus specifically on tracking companies involved directly in renewable energy or energy efficiency. While you can't purchase an index, there are exchange traded funds (ETFs) available that are based directly on clean-tech indexes:

- **The WilderHill Clean Energy Index** (ticker symbol: ECO) tracks companies directly involved in clean energy. These technologies include renewable energy harvesting or production, energy conversion, energy storage, pollution prevention, improving efficiency, power delivery, energy conservation, and monitoring information.

Market capitalization for the majority of the stocks in this index are generally \$200 million and above, although the index does include a handful of stocks from some smaller companies with a market cap of \$50 to \$200 million. —**The Powershares WilderHill**

Clean Energy Portfolio (PBW) is an ETF based on this index.

- **The WilderHill New Energy Global innovation Index** (NEX) tracks companies involved in clean tech that are traded primarily outside the US. Market capitalization for the majority of the stocks in this index is generally \$200 million and above, although it includes some smaller companies with a market cap of \$50 to \$200 million. —**The Powershares Global Clean Energy Portfolio (PBD)** is an ETF based on this index.

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A Word of Caution Remember, when you invest in stock shares, mutual funds, or ETFs, your principal isn't protected, and you could lose it. In addition to seeking the advice of a financial advisor, do your research on stocks, and ask for and read a prospectus before investing in a mutual fund or ETF, to ensure it meets your financial, social, and environmental goals.

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