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It can be a gamble to invest in alternative energy

You've experimented, but so far, your attempts to replace the gas engine have failed. The duck-powered glider had potential, sure, except for all the unplanned pond landings. Big Slingshot One simply left a series of man-shaped holes in your house. And let's just say that mankind isn't ready to commute by cannon yet.

Nevertheless, as oil prices hover above \$110 a barrel, it's a safe bet that people will be thinking much harder about how to replace the gas-powered engine, or at least how to make it use less fuel. Are there investment plays for that? Sure. But only with money you're willing to see go up in smoke.

Although oil prices are down from their peak of nearly \$120 just a few weeks ago, a barrel of light, sweet crude closed at \$112.52 Thursday, up from \$63.19 a year ago. The average price of a gallon of regular gasoline hit an all-time record high of \$3.603 this week, according to the government.

Back when gasoline was less than \$1 a gallon, there was no real urgency to explore alternatives. But the prospect of \$4-a-gallon gas has focused Wall Street's collective mind wonderfully on alternative energy. "When gas gets dear, it doesn't take long for people to say, 'What else is available?'" says Robert Wilder, CEO of WilderShares, which created the WilderHill Clean Energy index.

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But there are plenty of other ways to invest in alternative energy, including:

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You can also consider a few exchange traded funds. The PowerShares WilderHill Clean Energy fund tracks a portfolio of green power companies and trades under the ticker [PBW](#).

You don't have to believe that the world's oil supply is running out to be convinced that gas prices will remain high. All you have to believe is that there's something better out there, says Wilder. "The Stone Age didn't end because they ran out of stones," he says.

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