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2007 State of the Union Address - A boon for Alternative Energy Stocks?

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Last January, I [wrote an article](#) on this very subject about how President Bush will focus on Alternative Energy and Nuclear Energy in his 2006 State of the Union Address. President Bush did touch on Alternative Energy and America's addiction to Oil and gave his support for Ethanol. Unless you had been hiding under a stone last year you couldn't have missed the boom in the ethanol stocks and of course you couldn't have missed the bust either.

I was big into **Pacific Ethanol (Nasdaq: PEIX)** (started my position in the low teens) at that time and wrote a bunch of articles and even [interviewed](#) Tom Koehler (*Vice President of Government Affairs and Communications*). I did make a pretty good profit as well but sold at different stages after [first reporting the huge insider selling](#).

Pacific Ethanol wasn't the only ethanol stock that enjoyed a tremendous roller coaster ride. You can't forget **Xethanol (Nasdaq: XNL)**, **Andersons (Nasdaq: ANDE)**, **Green Plain Renewable Energy (Nasdaq: GPRE)** and **Archers Daniels Midland (NYSE: ADM)**. I can't even begin to explain how amazing it was to see these stocks go up and up before they finally came tumbling down.

The ethanol story has since died down but there is still some hope from Cellulosic ethanol, but as of now it is still a hope. If you have been reading my blog you will notice how I have changed focus from Ethanol to Solar and other Alternative Energy stocks. I just don't believe in the whole ethanol story anymore. I just don't think it's a long term answer. However, it seems pretty likely that President Bush will again bring up Ethanol. So the question is are these ethanol stocks worth a quick trade at this point? Are we going to see the markets going crazy again and send these stocks to the stratosphere? Highly unlikely but you never do know.

Let's look at what the media is saying on what President Bush will focus on in his 2007 State of the Union Address:

- . It is [expected](#) that President Bush will talk about Global Warming. The policy on Global Warming will be laid out but the administration is not expected to go as far as putting mandatory limits on greenhouse-gas emissions.

- 0. President Bush will call for a massive increase in US ethanol usage. Bush's speech [could call for over](#) 60 billion gallons (227 billion litres) of ethanol to be mixed into US gasoline supplies each year by 2030.

This whole article is based on speculation and I think the following stocks could benefit from the State of the Union address. Also, let's not forget that we have a Democratic congress which tends to be more environmentally friendly and with 2008 Presidential Elections coming up both parties and their respective Presidential candidates will use environment and global warming as major issues to address.

The American Solar companies:

- . Sunpower Corp (Nasdaq: SPWR)
- 0. Energy Conversion Devices (Nasdaq: ENER)
- 0. Evergreen Solar (Nasdaq: ESLR)
- 0. First Solar (Nasdaq: FSLR)
- 0. MEMC Electronics (NYSE: WFR)

Ethanol Stocks:

- 0. Pacific Ethanol (Nasdaq: PEIX)
- 0. Archer Daniels Midland (NYSE: ADM)
- 0. Green Plains Renewable Energy (Nasdaq: GPRE)

Wind Energy:

- 0. American Superconductor (Nasdaq: AMSC)
- 0. Zoltek (Nasdaq: ZOLT)

Pollution Control:

- 0. Fuel Tech (Nasdaq: FTEK)
- 0. ADA-ES Inc. (Nasdaq: ADES)

Fuel Cells:

- 0. Ballard Power (Nasdaq: BLDP)
- 0. FuelCell Energy (Nasdaq: FCEL)

Liquid Coal:

- 0. Syntroleum (Nasdaq: SYNM)
- 0. Rentech (AMEX: RTK)

You can always buy **PowerShares WilderHill Clean Energy Portfolio ETF (AMEX: PBW)**

What do I like out of all of these?

I like the solar sector and the profitable companies in this sector such as **Sunpower Corp (Nasdaq: SPWR)**, **MEMC Electronics (NYSE: WFR)** and **Suntech Power (NYSE: STP)**. All of these have been on quite a run lately so proceed with caution. Long term I love the Solar sector.

I like the pollution control plays such as Fuel Tech (Nasdaq: FTEK). Fuel Tech also has a [huge opportunity in China](#). ADES is also worth a look but I don't have an opinion on it yet. Its trading volume is very low but seems intriguing and is profitable.

I like the Wind Energy sector but there are not a lot of stocks to pick from. I like **American Semiconductor (Nasdaq: AMSC)** with their recent purchase of Windtec.

I don't like the Fuel Cell stocks, Liquid Coal stocks and Ethanol stocks.

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