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http://latimesblogs.latimes.com/money_co/2008/11/barack-obama-is.html

Obama to push change in a changing energy landscape

From Times staff writer Edward Silver:

Barack Obama is not likely to abandon his oft-stated commitment to foster a new energy economy. That's despite the painful recession bearing down on the U.S. and the depleted condition of public financing.

The signs are many. Obama's **energy** and **environmental** fact sheets are remarkably detailed, and ambitious. In October, he told **Time magazine** that energy is "going to be my No. 1 priority when I get into office," reprising the assertion he made during the second presidential debate. Furthermore, his transition team is led by John Podesta, who, since leaving the Clinton White House, has become a prominent **green policy advocate** as CEO of the Center for American Progress.

Nevertheless, the president-elect faces an energy landscape in great disarray. For environmentalists and renewable-energy investors, late 2008 has served up a steady diet of doom and gloom.

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Who wins in an infrastructure build? Deficit spending aside, the answer is likely to be almost everyone. Certainly the industrial sector, from **Goodyear Tire** to GE to **Caterpillar**. If the program has a green tinge, it could boost renewables across the board. Two investment ideas: the **PowerShares WilderHill Clean Energy fund**, which has been drained of two-thirds of its value this year, and

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There's more: With Obama and the Democrats in charge, the path is cleared legislatively to launch a "cap and trade" system that auctions the right to emit carbon. This is a means to bill polluters for harming the planet, encourage alternatives and feed public coffers. But with the nation's finances in a sorry state, the path is hindered economically.

It has to be said that the oil majors are not quaking just yet -- did I mention "in the fullness of time"?

In their first year of governing, Obama and his cohorts will inherit a beaten-up budget that could run \$1 trillion in the red, pundits say. Yet his program is one of investment. There's infrastructure, energy, healthcare and more.

Where will the cash come from? Windfall profits? Maybe. Cap and trade? Eventually. Pulling up stakes in Iraq? Those funds might be conscripted to Afghanistan.

The dividends of fresh infrastructure and new energy industries? Hopefully. And if that works, the gains could make the costs look small.

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