

Excerpt from The Motley Fool, October 24, 2006  
<http://www.fool.com/News/mft/2006/mft06102418.htm>

## GE Gets on the Bus

By Jack Uldrich October 24, 2006

**General Electric** ([NYSE: GE](#)) CEO Jeffery Immelt has made no secret of his desire to move the company more aggressively into the field of alternative energy. Therefore, it was no surprise when GE announced yesterday that it had formed a \$13 million partnership with the Federal Transit Administration, **Ballard Power Systems** ([Nasdaq: BLDP](#)), and **A123 Systems** to develop a light battery for a hybrid-fuel bus that yields zero emissions.

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I like that GE is diversified not only across industrial sectors, from plastics and jet engines to medical diagnostics and financial services, but also throughout the energy sector. While I'm confident of the growing demand for energy, I'm decidedly less sure about *which* sources will provide that energy. It could be nuclear power, cleaner coal, more efficient solar cells, wind, biomass, hydrogen, or some other new technology -- or more likely, a combination of all of them.

If you share my uncertainty, but still believe in the emerging opportunity in energy, you're left with a couple of ways to play it. First, you could invest in a specialized mutual fund or exchange-traded fund, such as **PowerShares WilderHill Clean Energy** ([AMEX: PBW](#)). Because this fund consists of a lot of smaller-cap companies, it has the potential for exciting returns. However, those same small companies, and its focus only on "clean energy," excluding coal or nuclear, also lend the fund some downside risk.

The second option is to invest in a company like GE. Granted, the large upside is probably not there, but because of its ability to sell its products and technology into virtually every energy sector, it's well-positioned to grow, regardless of which energy source -- or sources -- are most in demand in the future.

Batteries for hybrid fuel-cell buses are just the beginning of a long push into energy for GE. Investors seeking a large, sturdy vehicle that can safely navigate the perilous future of energy should give GE another look.

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