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<http://www.fool.com/investing/general/2011/07/03/10-clean-energy-stocks-for-2011-q2-update.aspx>

10 Clean Energy Stocks for 2011: Q2 Update

Some investors buy clean energy stocks because it's the right thing to do, others because we know that the diminishing availability and increasing environmental impacts of traditional fuels will eventually force society to adopt more sustainable solutions. Cartoonist Scott Adams says we're all wrong, and we [should invest in companies we hate](#).

Although Adams' column is meant to amuse, rather than serve as investment advice, it's funny because he touches on two very important truths about investing.

1. Although a few investors can outperform the market over the long run, the vast majority can't, and no one consistently produces superior results, year in and year out. (One exception was Bernie Madoff, who was [known for his unusually steady returns](#). We all know how that ended.)
2. Investing because it makes you feel good is a fairly reliable way to get into trouble in the stock market. If you are buying a stock because it makes you feel good, you're probably not alone. All those investors buying to make themselves feel good are probably driving the stock price up beyond what the company is worth, which will be a long-term drag on returns.

Both those truths are on display as I look back on the first-half performance of my annual [list of 10 clean energy stocks](#). After three years in a row of outperforming my clean-energy benchmark, my winning streak seems likely to end in 2011. So far this year, my benchmark **PowerShares Clean Energy** (NYSE: [PBW](#)) ETF is down 13.4% for the year, while my 10 picks are down considerably more, at 25.2%. Meanwhile, the broad market was up 5.2%, as reflected in the Russell 2000 index.

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Conclusion It's been a miserable six months for clean energy in general, and my picks in particular, and I don't see many signs that the market will reverse the trend yet. On the other hand, prices of many stocks are starting to look like good values, so patient value investors should seriously consider moving some money into the sector. These 10 stocks (minus American Superconductor) might be a good place to start.

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