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<http://www.fool.com/investing/high-growth/2007/01/04/the-biggest-economic-opportunity-of-this-century.aspx?source=eptyholnk303100&logvisit=y&npu=y>

The Biggest Economic Opportunity of This Century!

By Jack Uldrich

Venture capitalists are people, just like you and me. They put their pants on one leg at a time, and they're prone to making investing mistakes just like the rest of us. That said, it's hard to deny that some VCs are clearly better than others. And one of Silicon Valley's more successful and higher-profile VCs is John Doerr. Among his big wins are early investments in **Symantec** ([Nasdaq: SYMC](#)), **Intuit** ([Nasdaq: INTU](#)), and, more recently, **Google**.

This success, I believe, gives his words some weight. So when he says, as he did in November, that global warming is real and that "cleantech" is "the biggest economic opportunity of this century," my ears -- and yours -- should perk up.

It's not that the idea of cleantech being a big investment opportunity is new. The Motley Fool, myself, and others have been [writing about it for some time](#). Instead, it was Doerr's explanation of how cleantech can help address global warming that I found so interesting. He laid out four steps for solving global warming, which, when viewed in aggregate, can provide investors with a useful framework for thinking about how to invest in cleantech.

First, Doerr said the U.S. government should adopt a mandatory goal of reducing greenhouse gas by 25% by 2010. This is an ambitious goal and, even with Democrats now in control of both houses of Congress, I feel it is unlikely to be achieved. Nevertheless, I do believe some controls are coming, and investors can profit by understanding which companies are getting ahead of the curve and positioning themselves to benefit from government mandates. For instance, I have written before about **Duke Energy's willingness to embrace mandates** and explained how this progressive position -- when backed with strategic investments in cleaner coal-burning technologies and large-scale carbon sequestration and alternative fuel energy projects -- could position it ahead of its peers if and when government mandates on carbon emissions are imposed.

Second, Doerr called for the adoption of renewable sources like solar and wind. This is hardly a bold call, but investors should give serious consideration to investments such as [Motley Fool Rule Breakers](#) recommendation **Suntech Power**. The company's [big plans](#) to buy \$5 billion worth of solar wafers from **MEMC Electronic Materials** over the next 10 years is just one indication that it expects to be a leader in the growing solar cell market.

Third, he said the United States needs to reinvigorate its biofuels industry. To a degree, this is already happening. **Archer Daniels Midland** now has a 50-million-gallon facility in production, and a couple of months ago, **VeraSun** announced plans to begin building a new, large-scale 30-million-gallon biodiesel facility. With the advent of new, tougher EPA regulations requiring cleaner-burning diesel -- which biodiesel meets -- the demand for biofuels could grow stronger in the near future. And both companies, by positioning themselves at the forefront of this biofuels "reinvigoration," could profit nicely from its expansion.

Finally, Doerr said there needs to be more investment in technologies that can remove existing carbon dioxide from the atmosphere. I am unaware of companies that are doing this now, but I do know that **Headwaters** ([NYSE: HW](#)) is actively working to develop unique nanoparticle catalysts that might soon help in this quest.

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Investors looking for a more diversified approach to investing in alternative energy might want to consider the **PowerShares WilderHill Clean Energy** ETF, which counts **American Superconductor** ([Nasdaq: AMSC](#)), **SunPower** ([Nasdaq: SPWR](#)), and **Zoltek** ([Nasdaq: ZOLT](#)) among its core holdings.

The bottom line is that, like Doerr, I believe cleantech will be huge. I also believe there will be many technologies and companies taking part in the solution. But before they invest in the field, Fools should be strategic about how they want to approach the opportunity. After all, just because the opportunity is big doesn't mean everyone's profits will be, too.