

Excerpt from Red Herring, November 9, 2006

<http://www.redherring.com/Article.aspx?a=19651&hed=Cleantech+Rises+on+Dem+House>

Cleantech Rises on Dem House

Industry CEOs are 'disappointed' that Proposition 87 failed, but encouraged by Democrat wins. November 9, 2006

Investors are bullish on the cleantech industry after Democrats won a majority in the United States House of Representatives and made gains in the U.S. Senate during midterm elections.

"It's clear that with a more Democratic-led administration, the clean technology space will be more likely to continue its strong momentum," said Mark Donohue, a general partner at venture-capital company Expansion Capital Partners, located in San Francisco.

In recent trading, the WilderHill Clean Energy Index—which tracks U.S. clean-energy stocks—rose 3.14 to 185.74, an increase of 1.72 percent.

The WilderHill Progressive Energy Index, which focuses on technologies that reduce the environmental impact of fossil fuels, also showed an uptick. The index grew 1.26 percent, up 2.83 to 227.19.

....

Oil Company Tax Defeated

The elections weren't all good for cleantech, however. California's Proposition 87 was defeated 54.7 percent to 45.3 percent.

....

Robert Wilder, chief executive of WilderShares, which manages the WilderHill energy indices, said that the proposition would have passed if oil companies had been honest about the real reason they were opposed to the tax: they didn't want to pay it.

"I don't think there's a lot of love for the big oil companies," he said.

Moving up on the House Agenda

All in all, however, the proposition defeat was less important than the House wins, industry watchers said.

The defeat "was overshadowed by the fact that the House flung to the Democrats," Mr. Wilder said. "The Dems are going to be much stronger in favor of clean energy than the Republicans."

Committee chairs who have sat on the sidelines for 14 years or more because they were in the minority are going to want to get things done quickly, he said. "Clean energy is going to be much higher up on the agenda now, and I think some pieces of clean-energy legislation will be passed," he said.