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## 5 "Green" Stocks Set to Rebound

The road to a greener future has been a bumpy one for investors. The entire spectrum of clean energy stocks have risen and fallen in tandem with changing government policies and wildly swinging fossil fuel prices. Yet the industry has made considerable inroads as industry revenue for solar, wind and efficiency companies have risen nicely higher in recent years.

At the moment, investors are jumping back on the bandwagon of clean energy stocks. For example, the PowerShares **WilderHill Clean Energy Fund** ... has risen +25% since late August. Yet even as many clean energy stocks have moved up sharply off of their lows, a handful of stocks remain stuck in the mud due to company-specific problems. Here's a quick look at five industry laggards -- at the end, I'll select the one most likely to rebound.

**A123 Systems (Nasdaq: [AONE](#))** This maker of advanced batteries was supposed to be a great way to play the burgeoning electric car market. A123 pulled off a well-received [IPO](#) about a year ago, but a series of missed quarterly targets has pushed shares down more than -70% from their peak. Investors came to realize that profits will likely be elusive for the next several years, as the electric car market will evolve at a slow pace.

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**Echelon (Nasdaq: [ELON](#))** In the last decade, this company emerged as one of the most promising plays on energy efficiency. The company developed a range of remotely-monitored electricity meters and industrial controls that opened the door for much greater control of energy consumption. For example, utilities could use the devices to control when air conditioners cycled on and off.

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Echelon fits well into my approach of "love them when they're hated." The company's recent stumbles have left many investors dubious

and perhaps discounting the company's future prospects. Yet those prospects remain bright. To be sure, the company will have to start generating real sales traction for shares to rebound. Right now, analysts expect sales growth to climb back to +20% in 2011 and again in 2012. Yet many investors will wait to see if that forecast actually materializes. Growth forecasts have needed to be ratcheted down many times in the past.

As is the case with A123 noted above, Echelon needs to prove that it can move into the black. The company has not made a profit since 2004. This stock should be on your radar, even if it's not a compelling buy just yet.

**Broadwind Energy (Nasdaq: [BWEN](#))** The wind energy market hasn't developed as quickly as the solar energy market, leading many industry players to issue downbeat sales forecasts. Broadwind Energy, which makes wind towers, gears and other equipment, has had an especially tough go if it, and a slow slate of new orders is expected to lead to a -23% drop in sales this year. Shares have fallen from \$10 to a 52-week low of \$1.42, before a recent rebound to \$2.15.

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**Energy Conversion Devices (Nasdaq: [ENER](#))** Talk about low expectations. ...

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**A-Power Energy (Nasdaq: [APWR](#))** This China-based supplier of wind turbines, energy distribution systems, power plants and water conservation systems has been a great growth story, boosting sales from \$40 million in 2004 to more than \$300 million last year. But that top-line growth hasn't always translated to the [bottom line](#), as rising expenses have forced down operating margins in the past few years.

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