

## Wind Energy Investing: What the Stimulus Holds

**When we talk about investing in wind energy, most focus on turbine manufacturers. It's a common and logical connection.**

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Today, GE (NYSE:GE), Vestas (CPH:VWS), Siemens (NYSE:SI), Suzlon (NSE:SUZLON) and Gamesa (MCE:GAM) are the main suppliers of wind turbines in the U.S.

And they are likely to remain the major players too.

In fact, Vestas is now in the process of constructing two new manufacturing facilities in Colorado. Both are expected to be operational in 2010.

Gamesa has built four new wind turbine production facilities in the U.S. over the past two years, and Siemens is expected to begin construction on its newest turbine production facility next month in Hutchinson, Kansas. This comes just two years after the company built a rotor blade manufacturing facility in Fort Madison, IA.

Now a couple of years ago, turbine prices were exorbitant...and the down time between the initial order and receipt of the turbines was anywhere between two to four years.

Today, however, thanks to the recession - prices for wind turbines have fallen 18 percent globally. This is primarily because of declining demand and a decrease in the cost of raw materials.

Perhaps this hasn't made turbine manufacturers do cartwheels, but it has allowed some wind farm developers to get better pricing. At least the ones that have the financing to continue their expansion projects.

That being said, once a lot of that stimulus money finally gets funneled through the system later this year, we'll definitely see a lot of those wind farm developments that have been on hold for the past year or so, get back on track. As a result, turbine orders will pick up.

Now some have suggested that it's too risky to count on that stimulus money. But the fact is, that money's already been set aside and is currently being distributed. Granted, the distribution of that money may be too slow for some. But I'd prefer a slower distribution to a bunch of blank checks being thrown around wildly - something Washington is famous for.

In the meantime, we continue to believe the near-term opportunities here will be found primarily in the wind farm developers that are either currently developing new projects, or at least have the necessary financing to begin development in Q3 and Q4, 2009.

In 2010, we'll likely see turbine orders pick up enough to at least start to make a difference when earnings come out.

Of course, everyone has a different take on the timing. But the bottom line is that the world's largest wind turbine manufacturers have already begun building out their manufacturing right here in the U.S. They wouldn't be doing that if there wasn't real opportunity here.

Again...the writing is on the wall.

And whether you believe it's the right thing or not, the government is facilitating the wind energy industry's early growth, not only by offering direct support for research, testing and development. . .but also by building out our nation's electric infrastructure to enable the transmission of new wind power generation.

This is all going down right now.

Even as the climate change and energy debates continue on the Hill - the wind energy industry is continuing to grow and develop at a rapid pace. And in no time at all, wind will go from being considered an alternative form of power generation to simply another form of power generation.

Now as I already mentioned, we see wind developers representing the best near-term opportunities for investors. Particularly those with operations in California. And next week, I'll get into more detail on why that is. I'll also clue you in on a publicly-traded wind energy developer that could easily be one of our biggest winners for 2009.

To a new way of life, and a new generation of wealth...