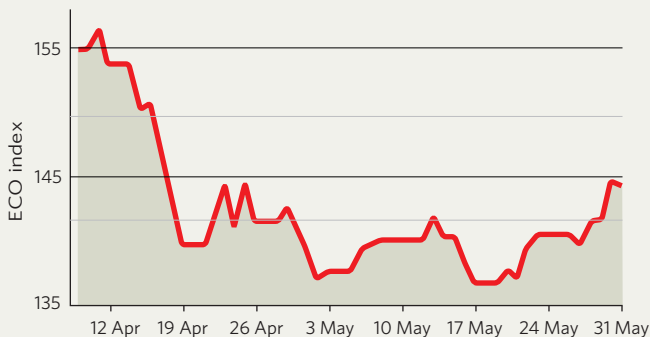


Clean energy stocks



Companies in the renewable-energy sector saw their market valuations slip back in April, and then regain some ground last month.

The WilderHill Clean Energy Index (ECO on the American Stock Exchange; see graph) reflects the subsectors that make up the renewable-energy industry. It was set up six years ago by Robert Wilder, at the time a political scientist at the University of California, Santa Barbara. He left to form WilderShares of Encinitas, California, which runs the index and sells a fund made up of the quoted stocks.

"We've focused not on the largest companies, but on those with the most significant technologies," Wilder says. Suppliers of storage devices and superconducting transmission cables, as well as solar panels and windmills, are included, as are utilities — such as Scottish Power — with strong

renewable-energy interests. Nuclear power is shut out.

Typical companies are Emcore of New Jersey, a semiconductor maker that produces unusually efficient photovoltaic cells, and Evergreen Solar, a Massachusetts firm whose 'string ribbon' technology reduces the amount of crystalline silicon needed to make such cells. The companies are based in several countries but all are quoted on the American Stock Exchange or on NASDAQ.

Wilder says that the index's decline earlier this year was accentuated by profit-taking in solar- and wind-power stocks, whose prices had been inflated earlier by strong product demand, especially in Germany and Japan.

He is bullish about its long-term prospects. Renewable energy "is becoming acceptable, even to conservative companies", he says.