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Did Germany Just Bring Sexy Back To Green ETFs?

On Monday, Germany made headlines by announcing it will shutter all its nuclear reactors by 2022. But is it a game-changer for renewable energy?

After all, Germany did say it will turn to more renewables such as wind, solar and hydropower for future energy needs. And the news follows Switzerland's announcement last week that it's also planning on phasing out nuclear power by 2032.

Those dates are a long way off, but many are wondering: Will this jump-start the renewables industry and, by extension, the ETFs targeting the space?

It's too soon to jump to any conclusions. After all, several countries, including the United States, China and France, have each reiterated their stances toward pursuing nuclear programs.

Renewable energy is also heavily dependent on high oil prices and government subsidies, the latter of which could face trouble as European governments impose various austerity measures to cope with the sovereign debt crisis.

Still, this is a significant development. Germany is an economic powerhouse in Europe, and currently gets almost a quarter of its energy supply from nuclear power. It's also a pioneer in renewable energy—it already gets almost 17 percent of its energy from renewable sources.

Germany would need to more than double its renewable energy output to make up for the shuttering of its electronuclear industry. With an 11-year nuclear phaseout planned, it needs to add 2 percent of its power capacity in renewables per year, on average, over the next decade.

For investors bullish on the industry and looking to gain exposure, there are several ETFs designed to benefit from a global shift to renewables.

The PowerShares Global Clean Energy ETF (NYSE Arca: PBD)

PBD currently has the most comprehensive global reach in the renewable

energy segment, holding companies involved in clean energy from 10 different countries. It's also the largest of the three funds I'll mention here, with \$197 million in assets under management.

It has an expense ratio of 0.75 percent. This modified, equal-weighted portfolio of 97 companies aims to track the WilderHill New Energy Global Innovation Index. For investors looking for a broad, diversified global exposure to the entire industry, PBD might be the play.

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