

Excerpt from ETF Database, December 7, 2009

<http://etfdb.com/2009/will-climate-deal-boost-alternative-energy-etfs/>

## Will Climate Deal Boost Alternative Energy ETFs?

Over the past two years, the primary focus of world leaders has been the series of economic crises that have threatened to erase years of progress and growth. With all available resources dedicated towards avoiding a prolonged downturn, many social and environmental issues have been moved to the back burner. Now, with a seemingly stable recovery underway, issues that had been pushed aside are returning to the forefront.

One of these such issues is climate change. Various initiatives have been discussed in a variety of different settings, but these efforts have produced more frustration than progress, as heads of both developed and [emerging markets](#) have failed to agree on any actionable next steps. Disagreements over the contributions of [China](#) and [India](#) to a comprehensive deal have been one of the major sticking points preventing meaningful progress. These emerging markets have reportedly expressed a willingness to slow the rate at which their emissions are growing, while most developed economies have pledged to reduce emissions.

Expectations for an upcoming United Nations summit in Copenhagen had been dashed by news that president Obama would attend only the opening sessions, leaving before most world leaders arrived. But all of that has [changed in recent weeks](#), as signs of “progress being made towards a meaningful Copenhagen accord” have inspired the U.S. president to change his travel plans and join the summit when other leaders will be in attendance. After discussing global climate change initiatives with leaders of [Australia](#), [Germany](#), [France](#), and Britain, the White House concluded that there “appears to be an emerging consensus that a core element of the Copenhagen accord should be to mobilize \$10 billion a year by 2012” to assist developing countries.

## Regaining Momentum

Agreement on a financial commitment to emerging markets at the upcoming Copenhagen summit would be a step in the right direction, but would hardly signal success on the environmental front. In the U.S., [opposition from businesses](#) to more stringent regulations have been fierce, setting the stage for potential showdowns. Still, the fact that these initiatives have regained some momentum is no doubt a positive development for alternative energy companies around the world.

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## Green Energy ETFs

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- [PowerShares Global Clean Energy Portfolio \(PBD\)](#): Designed to track the WilderHill New Energy Global Innovation Index, this ETF invests in companies focusing on greener and renewable sources of energy and technologies facilitating cleaner energy. Similar to ICLN, this ETF gives the biggest weightings to the U.S., China, Spain, and Germany. PBD has more than 80 individual holdings and charges 75 basis points.



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