

Reaping Wind Energy Stocks

Special Report

Investing in Wind Energy: Returns that Will Blow You Away

Most people don't know that the domestic wind energy market is currently being dominated by overseas players.

With the exception of General Electric, foreign competitors — mostly from Europe, now grouped with several from China — have taken a strong position as wind power market leaders.

Because of their early aggressive approach in tackling environmental issues, European firms have led the way in many renewable technologies. Germany's robust government subsidy regime has made that country into a cradle of the solar revolution, while the Scots to take the lead on wave power, and the Portuguese, Spanish, and Danish are leading on wind.

But the U.S. isn't getting left out of those countries' business plans. In 2007, Energias de Portugal, the national utility, bought Horizon Wind Energy from Goldman Sachs for \$2.15 billion — the highest price ever paid for a wind-only company.

Around the same time, Spanish company Acciona acquired rights to about 1,300 MW of wind farms in the Midwest.

In November 2009 China marched into the Lone Star State with \$1.5 billion for a 600+ megawatt wind farm.

The project is actually a joint venture with Cielo Wind Power, U.S. Renewable Energy Group, and Shenyang Power Group. When completed, it will provide enough power for about 180,000 homes. Chinese turbine manufacturer A-Power Energy will be supplying the turbines.

Here's what Jinxiang Lu, Shenyang Power Group's CEO had to say about the project: "With a long track record for building some of the world's biggest wind farms, the U.S. is an ideal target for foreign alternative energy investment."

Each energy-hungry region is making its case to be the most attractive wind power market, of course.

In its most recent report, the European Wind Energy Association (EWEA) said that wind became the leader in terms of new installed energy capacity.

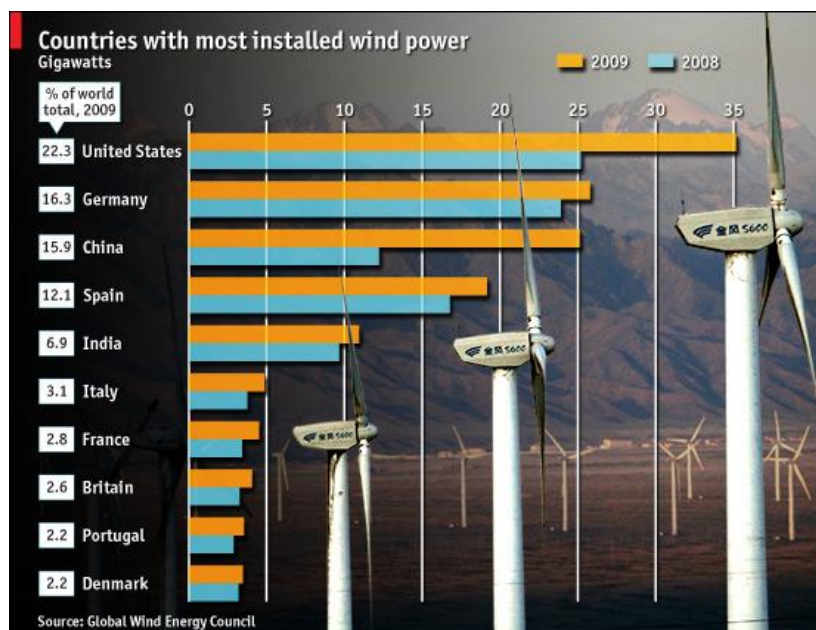
Through 2020, wind is expected to account for 34% of new generating capacity. It'll account for 46% from 2020-2030.

And the goal of attaining 12-14% of Europe's power from wind by 2020 is well within reach.

By 2020, it's expected that 180 gigawatts (GW) of electricity will be supplied by the wind — enough for about 107 million European households.

For that to happen, wind-based capacity needs to increase 9.5 GW per year through 2020. That shouldn't be too hard, considering the EU installed 8.5 gigawatts worth of wind capacity last year.

Here's a snapshot from *The Economist* of the state of the global wind power industry at the end of 2009:



The U.S. wind market and domestic *wind energy stocks* are ready to boom as well. . .

Domestic Wind Energy

Twenty years from now, wind energy could produce 20% of America's electricity.

An Energy Department study found that wind energy could generate 20% of U.S. electricity by 2030, as compared to today's one percent.

The good news: The Energy Department report finds that achieving a 20% wind contribution to U.S. electricity supply would:

- Reduce carbon dioxide emissions from electricity generation by 25 percent in 2030;
- Reduce natural gas use by 11%;
- Reduce water consumption associated with electricity generation by 4 trillion gallons by 2030;
- Increase annual revenues to local communities to more than \$1.5 billion by 2030; and
- Support roughly 500,000 jobs in the U.S., with an average of more than 150,000 workers directly employed by the wind industry.

To achieve 20%, wind turbines would have to produce 300,000 megawatts of power, compared to today's generated 16,000 megawatts.

It's doable.

The Bottom Line on Wind Energy

Between 2005 and 2007, both Germany and Spain's wind power capacity experienced impressive growth (about 21% and 51%, respectively). Now look back at the U.S. growth. . .

Our capacity catapulted nearly 84%!

Don't think for a second that wind energy is about slow down. . .

Since 2000, wind power production has increased fivefold. Remember that during that period, oil prices have grown by nearly the same amount. Now that peak oil is starting to get under the global spotlight, we can expect to see a massive interest in renewables like wind energy.

Reports from the U.S. Department of Energy state that wind energy supplied in just three U.S. states could potentially power the entire nation!

Think about it for a minute. . .

We're talking about a source of [energy that is a renewable](#), clean, has a low operating cost, and has technology that's been around for over a century (the first power-producing windmill was created back in 1887).

But it isn't just the past growth that we're impressed with.

In 2008, global wind power capacity grew by 29%, and the U.S. moved past Germany to become the top generator in that sector. 2009 final numbers aren't out yet, but we expect China to gain heavily as the Beijing government's deep pockets offset weakness in rich countries' bank-dependent credit markets.

With growth coming from different financial sources in a variety of regions, the investment opportunities will certainly be lucrative.

[Alternative Energy Speculator](#) and [Green Chip Stocks](#) and [Green Chip International](#) have already taken sizable profits from wind energy stocks, but there's much more to come.

You can learn even more about top wind energy companies [here in this Green Chip Review article](#).

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