

Excerpt from Seeking Alpha, January 15, 2013

<http://seekingalpha.com/article/1111531-new-cap-and-trade-legislation-could-be-watershed-moment-for-these-stocks?source=yahoo>

New Cap And Trade Legislation Could Be Watershed Moment For These Stocks

An increase in government regulation is most often considered a burden to corporate America and industries subject to a high amount of regulation trade at discounts due to the risk. There is one industry where the growth of policy and programs adds to topline sales, and public sentiment is actually turning in favor of more regulation.

I'm from the government and I'm here to help

Growth in environmental regulation and energy efficiency mandates has increased over the last decade. While the US Environmental Protection Agency has driven some of that growth, many of the new rules have come through court decisions or settlement agreements. This sets a powerful precedent that will not be overturned by subsequent administrations or a weakening of the EPA. As such, future growth for providers of clean energy technologies and energy management is more reliable than it has been in the past.

In FY 2011, EPA enforcement actions required companies to invest an estimated \$19 billion in actions and equipment to control pollution. This is the highest recorded injunctive relief in EPA history, and the agency is now under court order to promulgate rules that have been deferred for years.

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The PowerShares WilderHill Clean Energy Fund ([PBW](#)) invests at least 90% of total assets in companies that focus on renewable energy and technologies facilitating cleaner energy.

Representative of the segment, most (77.5%) of the fund is invested in small-cap companies with 14.9% in mid-caps and 7.6% in large-cap companies. The fund trades relatively expensively at 19 times trailing earnings of companies held but pays a 3.9% dividend yield.

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