



Clean Energy Index founder does well at doing good

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[Enlarge](#) By Robert Benson for USA TODAY

Robert Wilder's array of solar panels enables him to hold his electric bill to \$30 a year, despite having a house filled with electronic gizmos.

By [Matt Krantz](#), USA TODAY

ENCINITAS, Calif. — From his solar-heated swimming pool to the custom hybrid car he's having built, Robert Wilder appears a model citizen in the green revolution.

There's one big difference: It's making him rich.

Wilder, 47, is co-founder of the WilderHill Clean Energy Index (ECO) of environmentally sound companies that has become a barometer for the investment craze of trying to cash in on global climate change.

Think of it as the Dow Jones industrial average of global warming. More than \$800 million is riding on the index, Morningstar says, since it's the basis of the PowerShares WilderHill Clean Energy Portfolio exchange traded fund, a basket of stocks similar to a mutual fund. That dwarfs the \$44 million in the Sierra Club Stock index mutual fund, created in 1998 with the marketing power of the global environmental protection group.

The WilderHill index appeals to investors' desire to save the Earth and make money doing it.

■ ABOUT ROBERT WILDER

• **Title:** CEO and founder of WilderShares, which manages the WilderHill Clean Energy

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which manages the WilderHill Clean Energy Index and trades under the symbol PBW as the PowerShares WilderHill Clean Energy Portfolio exchange-traded fund

• **Age:** 47.

• **Education:** Ph.D., University of California, Santa Barbara, political science, 1991; master's degree, UC Santa Barbara, political science, 1988; law degree, University of San Diego, 1985; bachelor's degree UC Santa Barbara, political science, 1982

• **Other current jobs:** Lecturer at the University of California at San Diego

• **Family:** Married, two children

• **Hobbies:** Tinkering with electronics and automobiles. Spending time with family. Surfing.

• **Favorite movies:** *Brazil* and *Zoolander*

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Wilder's lifestyle is a case study. His house has all the trappings of the modern age, including a giant TV, PlayStation 3 video game and at least three computers. Still, he says he only pays \$30 a year for electricity because of solar panels mounted on top of his house and on two hills in his backyard. Wilder publishes how much electricity his daughter, son, wife and himself are using every second of the day on his website (<http://www.wildershires.com/solar.php>).

"I used to think all this stuff was freaky and weird," Wilder says. "But there's no sacrifice. Everything works."

Capitalist or environmentalist?

You might think Wilder is just another former hippie trying to save the world. He chose the law school at the University of

San Diego because as a surfer, he preferred the waves there. Afterward, Wilder spent more than decade accumulating a master's degree and a Ph.D. in political science at the seaside University of California, Santa Barbara. "I'm a fish hugger," he says.

And his résumé has many hippie traits. As a Fulbright Fellow, he researched environmental protection technology in the Fiji Islands, worked on restoration projects with The Nature Conservancy and ended up in academia. He was on his way to being a tenured college professor at the University of Massachusetts Dartmouth but grew tired of lecturing about environmental issues rather than doing something hands-on to help tackle them.

There's something kind of granola about his current lifestyle, too. He lives in an earthy, cabinlike home in the foothills, with a view of the mountains. An old Acura, his primary car, sits in his dusty dirt driveway still displaying a bumper sticker left from his failed run for the Encinitas City Council in 2004. That will soon be replaced by a Mini Moke he bought in Australia and is having a local engineering college student convert into a hybrid for about \$26,000. He also ordered an electric Tesla Motors sports car for about \$100,000.

But patting his prominent tummy, Wilder jokes he's not the typical "tall skinny guy with a beard" environmental fanatic who thinks "money is disgusting." He sees nothing wrong with making money from doing right for the environment, which is exactly what his index is designed to let others do.

Terms of Wilder's deal with PowerShares are undisclosed, but, typically, index creators are paid roughly 0.05% of assets under management, says Bruce Bond of PowerShares. That translates into \$415,000 a year for Wilder, based on the \$830 million in the ETF — and a lifestyle in which he can pick up his kids from school several times a week, then hang out with them by the pool.

A different approach

The index's success has been an unexpected victory for Wilder, who bounced between jobs and lived in several parts of the world without settling on a vocation. When Wilder left Dartmouth in 1996, he moved first to Santa Barbara, then to Maui, working with different environmental groups.

But he didn't like that, either, because he says most environmentalists are more concerned with cleaning up

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But he didn't like that, either, because he says most environmentalists are more concerned with cleaning up messes than preventing them. For instance, he marveled at how much money was spent cleaning up beaches that would ultimately vanish anyway due to rising sea levels because of global warming. He also says many environmental groups spend much of their time finding things to panic people about, such as vanishing polar bear populations, rather than fixing the problems.

In the late 1990s, Wilder decided to take a different approach and used his retirement account to start trading in clean-energy stocks. Wilder was making money and got more interested, so he searched for anything he could find about the stocks and stumbled on a list of clean-energy companies maintained by Josh Landess. The two agreed in 1999 to spend more time on the index and make it a site that would attract more attention. "There were no indexes on the space at the time," Landess says.

Success draws competition

Their efforts bore Internet fruit. After they spruced up the website, it was getting more than 100,000 hits a month — until the stock market cracked in 2000 and ended up decimating many of the stocks in the index, taking Wilder's portfolio down, too.

That's when Wilder had his epiphany. He saw that many, but not all, the clean-energy stocks got hammered. Had investors bought all the stocks, rather than picking a few, they would have gotten through the crash in better shape.

Wilder went to Boston and tried to sell the index to mutual fund companies there. He got shot down. He says they all told him that clean energy was too immature and that investors wouldn't bite.

Wilder took what was left of his retirement money to pay the American Stock Exchange to calculate the index's value. This was the first step in getting the index turned into an ETF. He also teamed with Elias Azrak, who had helped launch indexes in Europe. PowerShares, seeing the popularity of green investing and the fact that Wilder had a working index, agreed to turn it into an ETF.

But the success of Wilder's index has also been a problem. Since he created his index, several similar indexes are being launched. There's the Nasdaq Clean Edge U.S. Index and ETF. Dow Jones has its Sustainability Index. And Standard & Poor's this year launched green indexes of its own. "We believe there's room for other indexes in this sector," says Ron Pernick of Clean Edge.

Wilder says he's not worried, although he's troubled with how similar some of the new indexes are to his. To stay ahead, Wilder has created two other ETFs, including one that's available as a PowerShares ETF, which owns shares of traditional companies working to clean up oil, nuclear, coal and natural gas. He knows that may not win him any friends with traditional environmentalists, who deplore fossil fuels. But that's where the money is to be made. "I don't just want to appeal to someone wearing Birkenstocks," he says. "These technologies make sense."

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