Wind Stocks, ETFs Contend With Cheap Natural Gas

As the end of federal subsidies and now the shale natural gas boom begin to weigh on U.S. wind energy companies, related exchange traded funds are beginning to feel some drag.

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The wind industry in the U.S., the world's second-largest buyer of wind turbines, is seeing greater competition from cheap natural gas due to the hydraulic fracturing, shale oil boom and is slowing after federal subsidies for wind technology ended last year, reports Christopher Martin for <u>Bloomberg</u>.

"Without the Production Tax Credit, we don't expect wind to be at cost parity with gas" in most places in the U.S., Stephen Munro, an analyst at New Energy Finance, said in the article.

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"If gas prices weren't so cheap, then wind might be able to compete on its own," South Dakota's Republican Governor Dennis Daugaard, said in the article.

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... is the only wind industry-specific ETF listed, but there are a couple broad alternative energy ETFs that focus on clean energy companies. For instance, the **PowerShares WilderHill Clean**Energy Portfolio (NYSEArca: PBW) and ... focus on U.S. clean energy companies, while the ... and PowerShares Global Clean Energy Portfolio (NYSEArca: PBD) cover global companies.

[Improving Technology, Falling Costs Lift Clean Energy ETFs]

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