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Seven Ways to Profit From the Obama Administration's New "Clean Energy Economy" Push

After Wednesday night's State of the Union address, the Obama administration has added a new mantra to its lexicon.

Welcome to the "Clean Energy Economy."

In a speech in which embattled U.S. President Barack Obama badly needed to reinvent himself, the nation's chief executive focused on initiatives designed to add value to the U.S. economy and create jobs. Clean energy technology was front-and-center as one of those initiatives.

"Providing incentives for energy efficiency and clean energy are the right thing to do for our future, because the nation that leads the clean energy economy will be the nation that leads the global economy," President Obama said. "And America must be that nation."

High-speed rail, advanced-technology batteries and solar energy - all major recipients of "Recovery Act" funding over the past year - should continue to fare well as this latest initiative takes shape. Indeed, despite a crushing recession that sent the U.S. jobless rate to a near-three-decade high of 10%, Recovery Act provisions helped the U.S. solar-energy industry grow by almost 40%, creating nearly 18,000 jobs in the process, said Rhone Resch, president and chief executive officer of the Solar Energy Industries Association.

"These are high quality jobs in communities across the country," Resch told the Environment News Service. These are "jobs that can't be outsourced overseas and that put our tradesman back to work installing solar on home, businesses and building the next generation of solar power plants.

But here's the question: How can an investor parlay this insight into profits?

Clean Energy: For an overall exposure to clean energy, take a look at the PowerShares WilderHill Clean Energy Exchange-Traded Fund (NYSE: PBW) or the PowerShares Clean Energy Portfolio (NYSE: PBD). Top WilderHill Clean Energy holdings include chipmaker CREE Inc. (Nasdaq: CREE), solar-cell-equipment-maker GT Solar International Inc. (Nasdaq: SOLR) and FuelCell Energy Inc. (Nasdaq: FCEL). The Global Clean Energy ETF is focused more on companies

operating outside the United States, including the Hong Kong-based China Longyuan Power Group Corp Ltd.

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Railroads and High-Speed Rail: High-speed rail is certainly the sexy way to play railroads. President Obama is planning to unveil an \$8 billion high-speed rail plan, earmarking money from his \$787 billion stimulus plan to do so. But don't forget that upgrades that make this important transportation sector cleaner and more-energy efficient count, too. With its focus on clean energy, Burlington Northern Santa Fe Corp. (NYSE: BNI) has further aligned its goals with those of the Obama administration and local politicians. Late last year, Burlington Northern unveiled a hydrogen-powered locomotive. In 2008, it acquired 200 fuel-efficient locomotives from General Electric Co. (NYSE: GE). The other two potential Obama beneficiaries worth studying are Canada's Bombardier Inc. (PINK: BDRAF) and France's Alstom SA (PINK: AOMFF).