



Brian Wingfield on Energy  
12.17.08, 6:00 PM ET

# Sneak Peek 2009

## The Big Trend

Green jobs. Forget about the debates over offshore drilling and nuclear power on the presidential campaign trail last summer. The top issue on people's minds is employment, not energy. President-elect Barack Obama has pledged to create 5 million "green jobs" during the next several years. Over the next 10 years, he plans \$150 billion in investments in biofuels, a "smart" electricity grid, energy efficiency in schools and government buildings, plug-in hybrid vehicles and broadband expansion. If you're looking for work in 2009, think energy efficiency.

## The Unconventional Wisdom

Focus on electricity transmission and distribution. It matters not whether power comes from coal, solar, nuclear or wind power without the means to deliver it. And the U.S.'s electric grid is in need of a makeover that could cost as much as \$880 billion by 2030. The credit crunch is choking investment at the moment, but Obama's massive stimulus program is expected to provide a boost to infrastructure development.

## The Misplaced Assumption

That offshore drilling is still a priority issue. With crude oil spot prices now at \$42 per barrel--just 29% of their \$145 high last summer--cries of "Drill, baby, drill!" are quickly becoming a relic of 2008. Obama's energy plan calls for the "responsible domestic production of oil and natural gas." Translation: He'll focus on maximizing existing energy production on the Outer Continental Shelf, revise the Bush administration's 2007-12 drilling plan and reinstate the executive order banning offshore drilling.

## The Watch List

Johnson Controls. It's the seventh largest auto parts supplier in the world, meaning it could take a serious hit as Detroit's automakers restructure their business. Johnson Controls is also a major supplier of energy efficiency systems for buildings, meaning it could flourish under Obama's energy plan.

GridPoint. This Virginia-based smart grid company is young (Chief Executive Peter Corsell is just 31), wealthy (\$220 million raised to date) and significantly connected in Washington (former CIA Director George Tenet is a board member). It's also working with Duke Energy, Xcel Energy and Austin Energy on their efficiency projects.

Constellation Energy. It must feel good to have Warren Buffett and France's major power company fighting over you. That's what's happening to Constellation, with MidAmerican Energy Holdings trying to buy the company outright and Électricité de France vying for a 50% stake in its nuclear fleet. Constellation, the largest wholesale power provider in the U.S., saw its stock drop 56% on Sept. 15 because of its exposure to bankrupt Lehman Brothers Holdings. Buy opportunity, anyone?

## A Bold Prediction

Forget about major climate change legislation in 2009. It's simply too controversial, complex and costly.