

Alternative Energy Coverage Universe: 2009 Performance

January 12, 2010

Executive Summary:

- AERCA Advisors' coverage universe consists of a limited number of companies participating in the alternative energy industry. We benchmark our performance vs. the WilderHill Clean Energy Powershares (NYSE: PBW), an exchange traded fund (ETF) mirroring the WilderHill Clean Energy index which contains a portfolio of alternative energy related companies.
- AERCA's performance substantially outperformed the larger NASDAQ and the S&P 500 indices during the referenced periods contained in the chart below. This outperformance may be partially attributable to the higher beta (and risk) associated with emerging alternative energy equities in relation to the strong rebound in the broader indices during the referenced time period.
- Specific to our individual recommendations, we outperformed our stated benchmark, PBW, across the board.

2009 Coverage Universe Performance Chart

Equity Position		Open date	Close date	Performance
Ormat Technologies	ORA	3/11/2009	5/12/2009	65.3%
Akeena Solar	AKNS	3/23/2009	N/A (12/31/2009)	66.7%
A-Power Energy	APWR	4/13/2009	12/4/2009	176.9%
WilderHill Clean Energy	PBW	3/11/2009	5/12/2009	45.8%
		3/23/2009	12/31/2009	50.3%
		4/13/2009	12/4/2009	20.8%
Nasdaq (Index)	COMP	3/11/2009	5/12/2009	25.1%
		3/23/2009	12/31/2009	45.8%
		4/13/2009	12/4/2009	32.7%
S&P 500 (Index)	SPX	3/11/2009	5/12/2009	25.9%
		3/23/2009	12/31/2009	35.5%
		4/13/2009	12/4/2009	28.8%

Source: AERCA Advisors

Ormat Technologies

We initiated shares of Ormat Technologies (NYSE: ORA) with an Outperform rating on 3/11/09 at \$24.67 with an objective of Ormat reaching a target valuation of 10-12 times our 2010 EBITDA estimate. Subsequent to the company's Q109 results, shares of ORA reached 13 times our 2010 EBITDA estimate on an EV basis in a relatively short amount of time. We downgraded shares to Marketperform at \$40.78 on valuation while continuing to view the long-term outlook favorably. Our 65.3% positive return bested PBW by 19.5% during the timeframe measured with the outperformance perhaps partially due to favorable timing.



Source: BigCharts.com and AERCA Advisors

A-Power Energy

We initiated A-Power Energy (NASDAQ: APWR) with an Outperform rating on 4/13/09 at \$5.79 per share. Our belief in the favorable positioning and outlook for A-Power, despite very high risk and market rumor and innuendo, was rewarded with an outsized gain of 176.9%. Our initiation contemplated a conservative target valuation of 6.5 times our 2010 EPS despite the risks. Post the company's Q309 results; we downgraded our rating to Marketperform at \$16.06, coinciding with an implied valuation of 13 times our 2010 EPS estimate. Despite our contention that shares could continue to move higher on momentum alone, we believed it more prudent to reduce our rating due to increasing execution risk. The 176.9% gain in our APWR recommendation vs. the benchmark return of 20.8%, a 156.1% outperformance, can be partially attributed to the relatively higher beta, perceived risk and speculative nature of investing in shares of APWR vs. the benchmark.

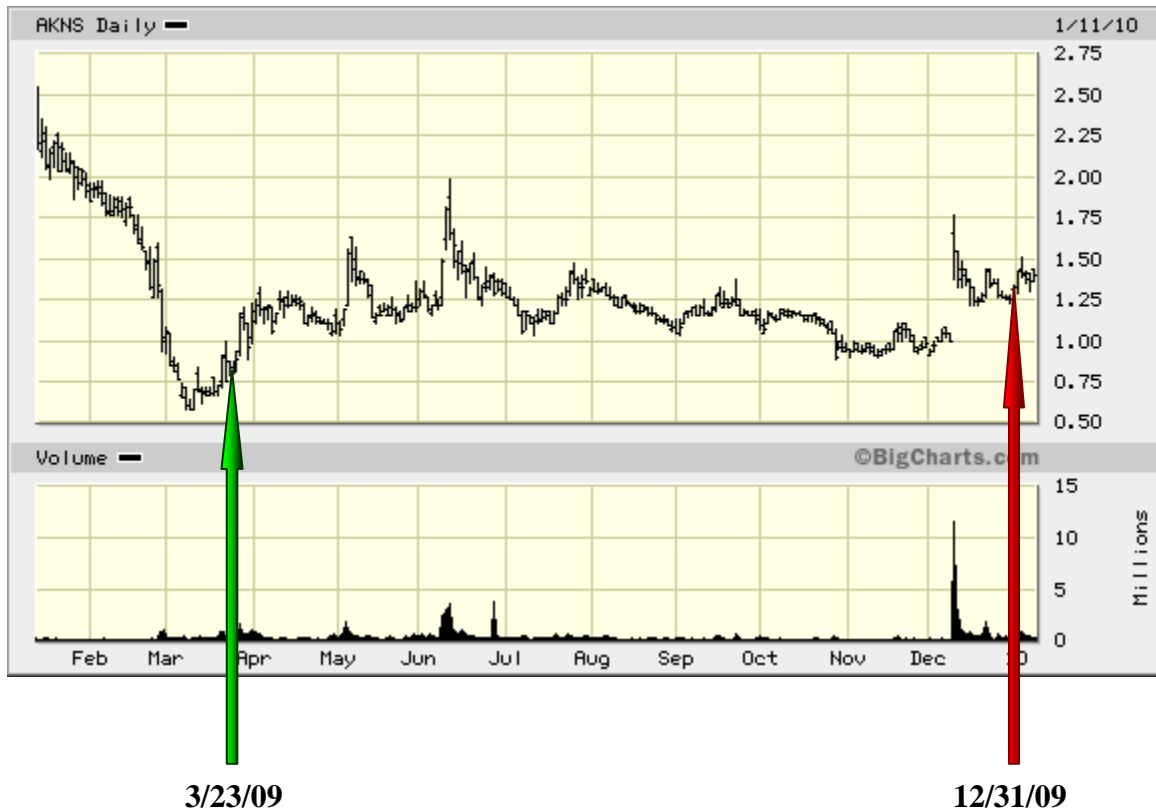


Source: BigCharts.com and AERCA Advisors

Akeena Solar

We initiated shares of Akeena Solar (NASDAQ: AKNS) with an Outperform rating on 3/23/09 at \$0.75 per share. We continue to believe Akeena’s favorable positioning in the emerging US solar market should result in a fair valuation of 1 times our 2010 sales estimate. Although liquidity and access to capital remain valid concerns, we rate shares of AKNS at an Outperform as the company is currently valued at approximately .86 times our 2010 sales estimate.

Our 66.7% return in AKNS was measured against the various indices and benchmarks utilizing a year-end calendar “close” date of 12/31/09 for reporting purposes even as the position is still “open”.



Source: BigCharts.com and AERCA Advisors

Chart Legend



Initiation of Outperform rating



Reduction to Marketperform rating/other

Analyst Disclosures:

I, Brian C. Yerger, the author of this research report, certify that the views expressed in this report accurately reflect my personal views about the subject securities and issuers, and no part of my compensation was, is or will be directly or indirectly tied to the specific recommendations or views contained in this research report.

At the time of this published report, securities, or derivatives thereof, of any company or index mentioned in this report may be owned directly by the analyst covering this stock. The securities mentioned in this report may be owned by the analyst's immediate supervisor, or indirectly by his/her household members.

AERCA Advisors or its employees may take equity positions in any company or index mentioned in this report including transactions that may be contrary to any recommendations contained herein. AERCA Advisors may seek to provide financial advisory services to any company mentioned in this report. In addition, AERCA Advisors may, from time-to-time, be asked to provide investment advice to corporations on various matters. As a result, some employees may receive compensation based on revenues from such financial advisory services. AERCA Advisors may maintain relationships with companies mentioned in this report that may lead to financial advisory relationships and compensation.

An officer or a household family member of an officer of AERCA Advisors is not a director or an officer of any company mentioned in this report. AERCA Advisors or any affiliates do not beneficially own 1% or more of any class of any company's common equity mentioned in this report. However, officers or employees of AERCA Advisors may currently hold equity stakes in any company or index mentioned in this report.

Ratings Definitions:

Outperform: Our Outperform rating is based on our belief that the subject company is anticipated to produce a total return greater than our benchmark index, The Wilderhill Clean Energy Index (ECO), over the coming 12 months.

Marketperform: Our Marketperform rating is based on our belief that the subject company is anticipated to produce a return equal to our benchmark index, The Wilderhill Clean Energy Index (ECO), over the coming 12 months.

Underperform: Our Underperform rating is based on our belief that the subject company is anticipated to produce a return less than our benchmark index, The Wilderhill Clean Energy Index (ECO), over the coming 12 months.

Additional Disclosures

This publication does not constitute an offer or solicitation of any transaction in any securities referred to herein. Any recommendation contained herein may not be suitable for all investors. Although the information contained in the subject report has been obtained from sources we believe to be reliable, its accuracy cannot be guaranteed. This publication and any recommendation contained herein speak only as of the date hereof and are subject to change without notice. AERCA Advisors and its employees shall have no obligation to update or amend any information contained herein. This publication is being furnished to you for informational purposes only and on the condition that it will not form a primary basis for any investment decision. Each investor must make its own determination of the appropriateness of an investment in any securities referred to herein based upon the legal, tax and accounting considerations applicable to such investors and its own investment strategy. Investors should understand that statements regarding future prospects may not be realized. Information contained in our report may contain forward looking statements as defined under Section 27A of the Securities Act of 1933 and Section 21B of the Securities Exchange Act of 1934. Investors are cautioned not to place undue reliance upon these forward looking statements. Past performance is not indicative of future results. By virtue of this publication, none of AERCA Advisors or any of its employees shall be responsible for any investment decisions. We are not a FINRA registered broker-dealer or a registered investment adviser either with the U.S. Securities and Exchange Commission (the SEC) or with any state securities regulatory authority. This report may not be reproduced, distributed, or published without prior consent of AERCA Advisors, LLC.
