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A TINY Cleantech Option

By Jack Uldrich August 22, 2007

I've written before about how the much-buzzed fields of alternative and renewable energy, a.k.a. "cleantech," might represent the "[biggest economic opportunity of this century](#)." But I've also warned that the field could be close to [experiencing a bubble](#).

That fear has led me to concentrate on companies that invest in alternative energy, but don't pin their entire fortunes on it, including **GE** (NYSE: [GE](#)); **BP** (NYSE: [BP](#)), **Siemens** (NYSE: [SI](#)) and **Goldman Sachs** (NYSE: [GS](#)). Now I'd like to offer yet another firm offering a slightly more aggressive -- and risky -- way to dabble in alternative energy: familiar Fool favorite **Harris & Harris** (Nasdaq: [TINY](#)).

This venture capital firm and *Motley Fool Rule Breakers* pick makes early-stage investments in private nanotechnology-related start-ups. At present, only five of the 31 companies in its portfolio can be considered legitimate cleantech plays:

- . **Bridgelux**, developing light-emitting diodes for use in solid-state lighting.
- 0. **Innovalight**, an early-stage company developing thin-film solar modules.
- 0. **Nanosys**, seeking to apply nanotech-based applications to fuel-cell and solar-cell technology.
- 0. **Nextreme Thermal Solutions**, a creator of thermoelectric components.
- 0. **Solazyme**, a biotechnology company tapping the "applied evolution" of algae to manufacture environmentally friendly biofuels.

All of these firms face considerable competition. For example, Bridgelux is going against the likes of **Cree** (Nasdaq: [CREE](#)) and **Color Kinetics** (Nasdaq: [CLRK](#)), while Innovalight must prove its technology superior to that of **Nanosolar** and **Miasole**. Not all of these companies will survive, but a few might just hit it big.

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To be sure, there are more strategic methods of investing in cleantech, including specialized ETFs like **PowerShares WilderHill Clean Energy Portfolio** (AMEX: [PBW](#)). But for investors with a stronger penchant for risk, Harris & Harris is worth considering; in addition to its promising nanotech holdings, it might be housing a cleantech gem.