Excerpt from 24/7 Wall Street, June 15, 2026
https://247wallst.com/investing/2026/06/15/clean-energy-etfs-are-up-over-25-percent-in-2026-and-after-following-every-policy-cycle-this-run-looks-structurally-different/

Clean Energy ETFs Are Up Over 25 Percent in 2026 and After Following Every Policy Cycle This Run Looks Structurally Different

Quick Read

- …and PBW have surged 28% and 31% in 2026, recovering from a 45% collapse that left clean energy ETFs priced as abandoned by capital.
- Surging AI data center demand is locking solar into power purchase agreements as the cheapest new bulk power source at $39 per MWh.

Clean energy ETFs have done something in 2026 that most investors stopped expecting after the brutal 2022 to 2024 stretch: they have led the market. … the **Invesco WilderHill Clean Energy ETF** (PBW) is up roughly 31%, … Over the trailing year, the moves are larger still: PBW has roughly two-and-a-half-bagged and … has more than doubled.

What makes the rally worth taking seriously is the backdrop. … lost about 45% across 2022, 2023, and 2024. The fund came into 2026 priced for a category that policymakers had abandoned and capital had given up on. That setup, combined with three durable changes underneath the surface, is why this rally looks structurally different from prior policy-cycle rebounds.

What sets this cycle apart from the 2020 redux

Prior clean energy spikes ran on subsidy headlines and zero-rate enthusiasm. This one is being underwritten by something cruder: power demand the grid cannot meet without renewables. The International Energy Agency expects global data center electricity consumption to roughly double to around 945 TWh by 2030, with AI workloads the main driver. Utilities cannot permit and build enough gas turbines or new nuclear fast enough to fill that gap, so solar and storage are getting signed into power purchase agreements as the marginal supply.

Economics back up the demand story. … pegged the global benchmark levelized cost for a fixed-axis solar farm at about $39 per megawatt-hour in 2025, still the cheapest new bulk power source in most markets. That is what makes the call structurally different: solar is being bought primarily on cost economics.

The third factor is the domestic manufacturing buildout that finally took hold. First Solar alone expects to operate more than 14 gigawatts of US annual capacity in 2026 across Alabama, Louisiana, Ohio, and a new Louisiana site. Tariff walls around Chinese modules have stayed in place, and the resulting US production base is now a genuine moat.

The macro setup is also more accommodating than it was during the last leg down. The Fed has cut 75 basis points since May 2025 and held the funds rate at 3.75% since December. The cuts

fall well short of zero-rate fuel, and the 10-year Treasury is still near 4.6%, yet a stable cut cycle changes the discount rate math on long-duration renewable cash flows in a way 2022 to 2024 never did. The VIX sitting near 17 tells you the rally is unfolding in a calm market environment.

….

PBW: the contrarian small-cap basket

PBW is the overlooked pick and the highest-beta way to play the theme. The WilderHill index uses an equal-weighted methodology that tilts toward smaller, earlier-stage US clean tech names across solar, wind, EVs, hydrogen, batteries, and grid hardware. …. The case for PBW right now is leverage to the same structural drivers without the mega-cap weighting that capped …'s 2026 move. The case against it is right there in the chart: PBW is still down about 39% over five years even after the YTD spike, and its small-cap basket has historically been the most violent name in the category in both directions. This fund deserves a slot only for investors who can sit through 30% drawdowns without flinching.

Which fund fits which investor

The decision is simpler than the category makes it look… PBW is the right answer for a smaller satellite position when an investor wants the highest-beta small-cap basket and accepts the volatility that has historically come with it.

The risks worth naming before sizing any of these are the same risks that broke the category last cycle. Policy can move against renewables in a single election, the 10-year Treasury sitting near the 98th percentile of its 12-month range means rate pressure has not gone away, and the AI power demand tailwind is not evenly distributed. Hyperscalers signing large baseload contracts have leaned heavily on nuclear and gas alongside renewables, so the cleanest read of the thesis is that solar takes meaningful share of new generation, not all of it. The structural case for clean energy in 2026 is stronger than it has been in years. It comes with real conditions attached.