

Excerpt from ETF Trends, July 7, 2026

<https://www.etftrends.com/etf-building-blocks-content-hub/riding-green-wave-clean-energy-etfs-benefiting/amp/>

Riding the Green Wave: Clean Energy ETFs Benefiting

While volatile oil prices have taken much of the spotlight in the energy sector this year, increasing global energy security concerns amid geopolitical tensions, soaring data center energy demand, and substantial international investment have propelled clean energy ETF gains in 2026.

Key Takeaways

- Clean energy ETFs have delivered significant returns this year, often outperforming broad market benchmarks and falling in line with energy sector benchmarks, driven by geopolitical tensions, increasing international investment, and the surging power needs of AI data center projects.
- After a period of strong performance and a capital rotation into alternative energy sectors in late May, clean energy valuations cooled in June as oil prices began to stabilize and geopolitical pressures show signs of de-escalation. However, trading remains well above 2025 levels.
- Investors have a wide range of options to capture the energy transition, with funds offering targeted exposure to specific technologies, subsectors, and grid infrastructure, allowing for both diversified and pure-play approaches to clean energy investment.

Gains in Global Clean Energy

Taking a modified equal-weight approach, the [Invesco Global Clean Energy ETF \(PBD\)](#) follows the performance of the [WilderHill New Energy Global Innovation Index](#). The index requires that at least 50% of the fund's assets are invested internationally, prioritizing firms involved in the advancement of cleaner energy and conservation. PBD has climbed 19% and recorded inflows of \$6.5 million in 2026.

Capturing the North American Energy Shift

Taking a more U.S.-focused approach, the [Invesco WilderHill Clean Energy ETF \(PBW\)](#) tracks the [WilderHill Clean Energy Index](#). This index targets U.S. companies involved in the clean energy transition, with the fund's equal-weighting methodology providing increased exposure to smaller-cap names in the industry. The fund has climbed 20.6% this year with outflows of -\$305.2 million as surging Treasury yields and potential interest rate hikes pressure smaller-cap holdings.