# Renewable energy is catching a second wind

Published June 15, 2026

**Mobeen Tahir**
Director, Macroeconomics and Thematic Research

## Key Takeaways

- Renewable energy deployment is accelerating at a record pace as countries prioritise both decarbonisation and energy security.
- China accounted for more than 60% of global renewable capacity additions in 2025 and is helping drive performance across the theme.
- The AI boom is creating new demand for renewable energy infrastructure, including technologies such as hydrogen fuel cells.

Back in the 1970s, the Arab-Israeli War changed the way the world thought about energy. In 1973, oil-producing nations imposed an embargo on several Western countries, sending oil prices higher and creating fuel shortages. Few countries felt the shock more acutely than Denmark, where imported oil accounted for around 90% of basic energy supplies at the time[1]. Faced with the risks of relying so heavily on foreign energy, Denmark began investing in alternatives, particularly wind power.

More than fifty years later, Denmark generates close to 90% of its net electricity from renewable sources, making it one of the world's leading renewable energy success stories[2].

The recent conflict in Iran has once again highlighted the geopolitical risks associated with fossil fuels. If your car relies on imported fuel and that supply is disrupted, the car either stops running or becomes very expensive to run. But if all you need is electricity and you have a local supply of renewables, you have energy independence. Meanwhile, the AI revolution is driving a surge in electricity demand, creating another source of support for the sector. No, data centres aren’t running on solar power, but there is something else which will be discussed in this blog.

Renewable energy is catching a second wind, and investors seem keen to make hay while the sun is shining.

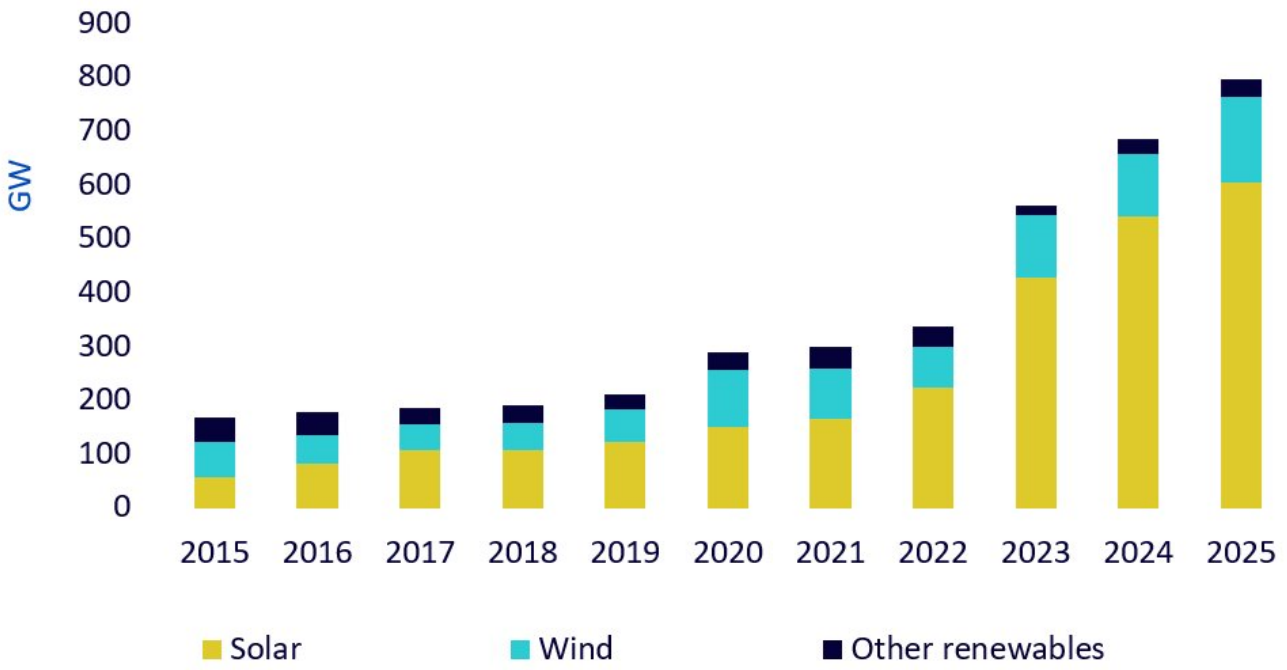
## WisdomTree’s solution to capture the opportunity

The WisdomTree Renewable Energy UCITS ETF provides investors with the following:

1. **Comprehensive exposure across the renewable energy value chain.**
   Across five categories which include raw materials, manufacturing, enablers, applications, and emerging technologies, the exchange-traded fund (ETF) captures 32 distinct subsectors. For example, hydrogen electrolysers and hydrogen fuel cells are two distinct subsectors within the category of emerging technologies. This breadth provides diversification and access to the full spectrum of opportunities driving the world of energy.
2. **A forward-looking design built with industry expertise.**
   Developed in partnership with Wood Mackenzie, the ETF uses a research-driven framework to evaluate the relevance and attractiveness of each subsector and company. These insights guide stock selection and weighting, with the aim of keeping the strategy aligned with the industry's evolution.

## The structural trend remains strong

## Figure 1: Global renewable energy capacity addition




Source: IEA, Global Energy Review, April 2026. **Historical performance is not an indication of future performance and any investments may go down in value.**

If investors needed a reminder that the renewable energy story is about more than short-term market sentiment, the latest data from the International Energy Agency (IEA) provides it. According to the IEA's Global Energy Review 2026, global renewable energy capacity additions reached almost 800 gigawatts (GW) in 2025, up 16% year-on-year and marking the 23rd consecutive year of record expansion. As the figure above shows, annual capacity additions have accelerated dramatically over the last decade, rising from less than 200 GW in 2015 to nearly 800 GW in 2025. Solar photovoltaic (PV) accounted for more than three-quarters of all new renewable capacity additions, while wind represented a further 20%.

The pace of growth is particularly striking since 2022. Following Russia's invasion of Ukraine and the resulting energy crisis in Europe, countries were reminded of the risks associated with dependence on imported fossil fuels, particularly Russian natural gas. Renewable capacity additions jumped from around 340 GW in 2022 to more than 560 GW in 2023, before continuing higher in 2024 and 2025. In many respects, renewable energy has become as much an energy security story as a decarbonisation story. The latest tensions involving Iran reinforce that point. While it is impossible to know whether recent events will trigger another acceleration in deployment, history suggests that geopolitical shocks often strengthen the case for domestically generated energy. With electricity demand also rising rapidly due to artificial intelligence, many investors continue to view the long-term outlook for renewables favourably.

## Chinese stocks are helping lift the theme

China remains at the centre of the renewable energy story. According to the IEA, the country accounted for more than 60% of global renewable capacity additions in 2025, commissioning nearly 370 GW of solar PV and 117 GW of wind capacity in a single year. More broadly, Chinese equities have enjoyed a resurgence over the past year, supported by technological advances in areas such as artificial intelligence, robotics, electric vehicles, batteries and renewable energy. A weaker US dollar, improving investor sentiment towards China and supportive domestic policies have also helped attract capital back into the market. As a result, renewable energy stocks have benefited not only from strong industry fundamentals but also from a broader re-rating of Chinese equities.

Several Chinese companies linked to the renewable energy value chain have delivered particularly strong returns. Consider two examples. Beijing Sifang Automation, which provides grid automation and power system solutions, has benefited from rising investment in electricity networks needed to accommodate growing renewable energy capacity. As more solar and wind power is added to the grid, the need for intelligent transmission and distribution infrastructure increases. Meanwhile, Jiangsu Zhongtian Technology has gained from strong demand for power cables and energy transmission equipment, which are essential for connecting renewable energy projects to end users. In both cases, investors appear to be recognising that the energy transition is about more than simply generating renewable power. It also requires the infrastructure needed to transmit, manage and store that energy efficiently. Both companies have been among the top-performing stocks in this theme this year.

## The AI effect is boosting renewable energy

When investors think about renewable energy, they typically think of solar panels and wind turbines. The renewable energy universe is much broader than that. One technology that has spent years in relative obscurity is hydrogen. Despite its promise as a clean energy source, many investors questioned where hydrogen would fit into the future energy system and whether demand would ever materialise at scale.

The rise of artificial intelligence may be providing an answer. Bloom Energy, whose fuel cell technology can run on hydrogen and other fuels, has been one of the standout performers in the sector. In October 2025, the company announced a $5 billion strategic partnership with Brookfield to help power the next generation of AI infrastructure. Bloom's fuel cells were selected because they can provide reliable onsite power quickly,

helping data centres overcome grid constraints at a time when electricity demand from AI is surging. Just six months later, Bloom expanded its relationship with Oracle, announcing a framework agreement that could see up to 2.8 gigawatts of fuel cell capacity deployed to support AI and cloud computing infrastructure across the United States.

The significance extends beyond a single company. For years, the challenge facing hydrogen-related technologies was finding a strong commercial use case. AI may be changing that. Data centres require enormous amounts of electricity, and increasingly, they need it faster than traditional grids can deliver. Technologies that can provide scalable, resilient and lower-emission power solutions are therefore attracting renewed attention. In other words, the AI revolution is not only creating demand for semiconductors and data centres. It is also creating opportunities for parts of the renewable energy ecosystem that many investors had previously overlooked.

## Conclusion

Thematic investing can sometimes mean backing technologies that may or may not take off, but renewable energy feels different, because it is already a core part of the global energy system and is growing faster than ever as the world's power needs rise. The progress is happening first, and markets are only then catching up. That is what makes the story so credible, and, dare I say, such an evergreen theme.

While the renewable energy theme may benefit from long-term structural trends, investments in companies operating within the sector can be volatile and may be affected by changes in regulation, government subsidies, technological developments, commodity prices and broader market conditions. Thematic investments typically involve more concentrated exposure than broad market strategies and may experience periods of underperformance. Exposure to Chinese companies and emerging technologies may also increase political, regulatory and market-related risks.

[1]Source: IMF library, 1986.

[2]Source: Investindk.com, June 2026.

## Important Risks Related to this Article

# IMPORTANT INFORMATION

**Marketing communications issued in the European Economic Area ("EEA"):** This document has been issued and approved by WisdomTree Ireland Limited, which is authorised and regulated by the Central Bank of Ireland. **Marketing communications issued in jurisdictions outside of the EEA:** This document has been issued and approved by WisdomTree UK Limited, which is authorised and regulated by the United Kingdom Financial Conduct Authority. WisdomTree Ireland Limited and WisdomTree UK Limited are each referred to as "WisdomTree" (as applicable). Our Conflicts of Interest Policy and Inventory are available on request. This marketing communication is intended for all investors; however, the WisdomTree products described in this document and related materials may be restricted in certain jurisdictions and may only be available to particular categories of investors in accordance with applicable laws and regulations. Where a product is not authorised or its distribution is restricted in your jurisdiction, it is the responsibility of any person or entity in possession of this information to inform themselves of, and comply with, all relevant restrictions. Before making any investment, investors should seek appropriate legal, regulatory, tax and investment advice to assess the suitability and implications of investing in these products. Information about WisdomTree products is available at wisdomtree.eu. WisdomTree does not offer investment advice tailored to individual circumstances. Past performance is not a reliable indicator of future performance. Any historical performance included in this document may be based on back testing. Back testing is the process of evaluating an investment strategy by applying it to historical data to simulate what the performance of such strategy would have been. Back tested performance is purely hypothetical and is provided in this document solely for informational purposes. Back tested data does not represent actual performance and should not be interpreted as an indication of actual or future performance. The value of any investment may be affected by exchange rate movements. Any decision to invest should be based on the information contained in the appropriate prospectus and affer seeking independent investment, tax and legal advice. The content of this document does not constitute investment advice nor an offer for sale nor a solicitation of an offer to buy any product or make any investment.
An investment in exchange-traded products ("ETPs") is dependent on the performance of the underlying index, less costs, but it is not expected to match that performance precisely. ETPs involve numerous risks including among others, general market risks relating to the relevant underlying index, credit risks on the provider of index swaps utilised in the ETP, exchange rate risks, interest rate risks, inflationary risks, liquidity risks and legal and regulatory risks. The information contained in this document is not, and under no circumstances is to be construed as, an advertisement or any other step in furtherance of a public offering of shares in the United States or any province or territory thereof, where none of the issuers or their products are authorised or registered for distribution and where no prospectus of any of the issuers has been filed with any securities commission or regulatory authority. No document or information in this document should be taken, transmitted or distributed (directly or indirectly) into the United States. None of the issuers, nor any securities issued by them, have been or will be registered under the United States Securities Act of 1933 or the Investment Company Act of 1940 or qualified under any applicable state securities statutes. This document may contain independent market commentary

prepared by WisdomTree based on publicly available information. Although WisdomTree endeavours to ensure the accuracy of the content in this document, WisdomTree does not warrant or guarantee its accuracy or correctness. Any third party data providers used to source the information in this document make no warranties or representation of any kind relating to such data. Where WisdomTree has expressed its own opinions related to product or market activity, these views may change. Neither WisdomTree, nor any affiliate, nor any of their respective officers, directors, partners, or employees accepts any liability whatsoever for any direct or consequential loss arising from any use of this document or its contents. This document may contain forward looking statements including statements regarding our belief or current expectations with regards to the performance of certain assets classes and/or sectors. Forward looking statements are subject to certain risks, uncertainties and assumptions. There can be no assurance that such statements will be accurate and actual results could differ materially from those anticipated in such statements. WisdomTree strongly recommends that you do not place undue reliance on these forward-looking statements. WisdomTree Issuer ICAV Certain funds referred to in this document are issued by WisdomTree Issuer ICAV ("WT Issuer"). WT Issuer is an open-ended, umbrella-type Irish Collective Asset-management Vehicle with segregated liability between sub-funds and is authorised by the Central Bank of Ireland ("CBI") as an Undertaking for Collective Investment in Transferable Securities ("UCITS") under Irish law. Each fund is represented by a separate class of shares (the "Shares") issued by WT Issuer.

The Fund is described in a Key Information Document (KID) or Key Investor Information Document (KIID) for UK investors, and the prospectus of WT Issuer ("WT Prospectus"). A copy of the WT Prospectus and the KID / KIID is available, for EEA/UK only, in English at www.wisdomtree.eu. Where required under national rules, the KID will also be available in the local language of the relevant EEA Member State. Investors should read the WT Prospectus before investing and should refer to the section of the WT Prospectus entitled 'Risk Factors' for further details of risks associated with an investment in the Shares. The summary of investor rights associated with an investment in the fund is available in English on WisdomTree Europe's website. WisdomTree Management Limited may decide to terminate the arrangements made for the marketing of its collective investment undertakings. In such circumstances, shareholders in the affected EEA Member State will be notified of this decision and will be provided with the opportunity to redeem their shareholding in the fund free of any charges or deductions for at least 30 working days from the date of such notification. For Investors in Switzerland: This document constitutes an advertisement of the financial product(s) mentioned herein. The prospectus (in English only) and the key investor information documents (KID) (in German, French and Italian) are available from WisdomTree's website: https://www.wisdomtree.eu/en-ch/resource-library/prospectus-and-regulatory-reports **For WisdomTree UCITS products only:** the representative and paying agent of the ETPs in Switzerland is Société Générale Paris, Zurich Branch, Talacker 50, PO Box 5070, 8021 Zurich, Switzerland. The prospectus, the key investor information documents (KIID), the articles of association and the annual and semi-annual reports of the sub-funds are available free of charge from the representative and paying agent. As regards distribution in Switzerland, the place of jurisdiction and performance is at the registered seat of the representative and paying agent. Some of the sub-funds referred to in this document may not have been registered with the Swiss Financial Market Supervisory Authority ("FINMA"). In Switzerland, such sub-funds that have not been registered with FINMA may only be available to Qualified Investors.

For Investors in France: The information in this document is intended exclusively for professional investors (as defined under the MiFID) investing for their own account and this material may not in any way be distributed to the public. The distribution of the Prospectus and the offering, sale and delivery of Shares in other jurisdictions may be restricted by law. WT Issuer is a UCITS governed by Irish legislation, and approved by the Financial Regulatory as UCITS compliant with European regulations although may not have to comply with the same rules as those applicable to a similar product approved in France. The Fund has been registered for marketing in France by the Financial Markets Authority (Autorité des Marchés Financiers) and may be distributed to investors in France. Copies of all documents (i.e. the Prospectus, the Key Investor Information Document, any supplements or addenda thereto, the latest annual reports and the memorandum of incorporation and articles of association) are available in France, free of charge at the French centralizing agent, Societe Generale at 29, Boulevard Haussmann, 75009, Paris, France. Any subscription for Shares of the Fund will be made on the basis of the terms of the prospectus and any supplements or addenda thereto. **For Investors in Malta:** This document does not constitute or form part of any offer or invitation to the public to subscribe for or purchase shares in the Fund and shall not be construed as such and no person other than the person to whom this document has been addressed or delivered shall be eligible to subscribe for or purchase shares in the Fund. Shares in the Fund will not in any event be marketed to the public in Malta without the prior authorisation of the Maltese Financial Services Authority. **For Investors in Monaco:** This communication is only intended for duly registered banks and/or licensed portfolio management companies in Monaco. This communication must not be sent to the public in Monaco. **For Investors in Israel:** Offering materials for the offering of the Shares and securities have not been filed with or approved or disapproved by the United States Securities and Exchange Commission or any other state or federal regulatory authority, nor has any such regulatory authority passed upon or endorsed the merits of this offering or passed upon the accuracy or completeness of any offering materials. Any representation to the contrary is unlawful. The products mentioned herein have not been approved by the Israel Securities Authority and will only be distributed to Israeli residents in a manner that will not constitute “an offer to the public” under sections 15 and 15a of the Israel Securities Law, 5728-1968 (“the Securities Law”) or section 25 of the Joint Investment Trusts Law, 5754-1994 (“the Joint Investment Trusts Law “), as applicable. The products are being offered to a limited number of investors (35 investors or fewer during any given 12 month period) and/or those categories of investors listed in the First Addendum (“the Addendum”) to the Securities Law, “Sophisticated Investors”) who in each case have provided written confirmation that they qualify as Sophisticated Investors, and that they are aware of the consequences of such designation and agree thereto; in all cases under circumstances that will fall within the private

placement or other exemptions of the Joint Investment Trusts Law, the Securities Law and any applicable guidelines, pronouncements or rulings issued from time to time by the Israel Securities Authority. This prospectus or this document may not be reproduced or used for any other purpose, nor be furnished to any other person other than those to whom copies have been sent. Any offeree who purchases a product is purchasing such product for its own benefit and account and not with the aim or intention of distributing or offering such product to other parties (other than, in the case of an offeree which is a Sophisticated Investor by virtue of it being a banking corporation, portfolio manager or member of the Tel-Aviv Stock Exchange, as defined in the Addendum, where such offeree is purchasing a product for another party which is a

Sophisticated Investor). Nothing in this document should be considered investment advice or investment marketing as defined in the Regulation of Investment Counselling, Investment Marketing and Portfolio Management Law, 5755-1995. Investors are encouraged to seek competent investment counselling from a locally licensed investment counsel prior to making the investment. A recipient of this document may be required to provide confirmation that it is a Sophisticated Investor purchasing a product for its own account or, where applicable, for other Sophisticated Investors.