Why Clean Energy ETFs Are Top Performers in 2020

Clean energy ETFs are among the top performers this year as well, after a spectacular performance last year. This comes after a volatile decade when their performance was largely dependent on government subsidies and oil prices.

The cost of renewable energy generation has been falling in recent years with continued technological innovation, and that has started changing the competitive balance between clean and traditional energy.

Rising odds of a Biden victory have further boosted these stocks as he has pledged to spend \$2 trillion to combat climate change. And, these ETFs have also benefited from an exponential surge in Tesla (TSLA), which is among the top holdings in many of these ETFs.

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The Invesco WilderHill Clean Energy ETF (PBW) holds companies involved in cleaner energy sources or energy conservation.