

Excerpt from Zacks, Sept 17, 2025

Also posted in Yahoo Finance,

<https://finance.yahoo.com/news/fed-likely-cut-rate-today-153300530.html>

Fed Likely to Cut Rate Today: 5 Clean Energy ETFs in Focus

The U.S. economy has been on edge recently, with the stock market being highly volatile due to the nation's aggressive tariff regime, a weakening job market, sticky inflation and soaring fiscal deficits. Amid all these concerns, investors anxiously await the Federal Reserve's expected decision to lower interest rates by 0.25% by the end of today's session, as hinted by Fed Chair Jerome Powell in his Aug. 22 speech.

....

Why Lower Rates Matter for Clean Energy?

The clean energy sector is fundamentally capital-intensive. Building solar farms, wind turbines, battery storage facilities, and other critical infrastructure requires massive upfront investment. Historically, this has made clean energy companies highly sensitive to interest rates.

Thus, a rate cut typically benefits renewable energy companies through reduced financing costs for their often debt-funded projects, making solar farms, wind installations, and other clean energy initiatives more economically viable.

....

Invesco WilderHill Clean Energy ETF (PBW)

This 64-stock ETF tracks a broad range of U.S. clean energy companies, offering exposure to a diversified portfolio of renewable energy stocks. The fund invests at least 90% of its total assets in stocks publicly traded in the United States. Its total net asset is valued at approximately \$401.7 million, and its top holding is California-based Bloom Energy (BE). However, no stock accounts for more than 3.63% of the fund.

PBW has rallied 3.8% since Aug. 22. The fund has a total expense ratio of 0.65%.

...

Bottom Line

The Federal Reserve's expected rate cut today could mark the beginning of a more favorable financing environment for clean energy companies, potentially boosting the performance of ETFs highlighted above. However, investors should remain mindful of the industry's volatility and the various political, regulatory, and economic factors that continue to influence clean energy investments.