

Investors see green returns as renewable energy rises

28 January 2021, by Damian J. Troise



This March 9, 2016 file photo shows the latest generation of SunPower solar panels that are stacked in Positive Energy Solar's warehouse in Albuquerque, N.M. The future looks bright for solar and other renewable energy technology. The sector should benefit from a much friendlier administration in the White House. (AP Photo/Susan Montoya Bryan, File)

The future looks bright for solar and other renewable energy technology.

FirstSolar, Enphase and SunPower are among the renewable [energy](#) stocks that are benefiting from a much friendlier administration in the White House, whose agenda includes tackling [climate change](#) and bolstering green energy. Their stocks soared last year, far outpacing the wider market's gains.

On his first day in office, President Joe Biden rejoined the 2015 Paris climate agreement, revoked a permit for the Keystone XL oil pipeline and halted oil and gas leasing in Alaska's Arctic National Wildlife Refuge.

"Part of what drove that move last year was the idea there would be a bit more policy support for these initiatives going forward," said David

Lebovitz, global market strategist at J.P. Morgan Asset Management.

Renewable [power](#) sources such as wind and solar now make up 12% of all energy generation, up from 4% in 2011. During the same period, energy generated from hydroelectric sources remained at 8%, while coal fell to 24% from 44%.

Shares of Tempe, Arizona-based First Solar jumped nearly 80% last year, and another 7% so far in 2021. Fremont, California's Enphase, which makes technology to manage [solar power](#), surged by more than six times last year.

Biden's platform included a \$2 trillion plan to create a carbon pollution-free power sector by 2035. That could greatly benefit companies developing solar and wind power technologies. Other Biden initiatives include investments in battery storage and negative emissions technologies.

Optimism around the industry was bolstered in December when the government passed a fiscal stimulus package that included extensions for solar and wind production tax credits and other incentives.

The government's recent approval of a lithium mine in Nevada operated by Lithium Americas should increase access to a key component of rechargeable batteries, which could accelerate development of electric vehicle technology.

"When you think about longer term prospects in renewables, it's generally positive from these indications," said Andrew Lee, head of sustainable and impact investing at UBS Global Wealth Management.

The U.S. forecasts a solid bump in capacity as demand rises and utilities develop wind and [solar projects](#). Developers and plant owners expect the addition of utility-scale solar capacity to set a record

by adding 15.4 gigawatts of capacity to the grid in 2021, up from about 12 gigawatts in 2020, according to the U.S. Energy Information Administration. The agency said solar power will account for the largest share of new capacity in 2021, exceeding [wind](#) power growth for the first time.

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