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Tariffs, trade wars and turbulence: Combating uncertainty in the U.S. renewable energy sector

Renewable Energy Market Review 2025

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In this article from our 2025 Renewable Energy Market Review, we explore four key steps renewable and clean energy companies can take to build a robust and resilient risk management strategy.

Within the first few months of 2025, a remarkable number of events have cast uncertainty over the global renewable energy sector.

Key takeaways

- China maintains its leading role in renewable technology manufacturing and the U.S. administration is responding by placing the U.S. and its allies at an advantage to gain a greater market share of rare earths. It's becoming clear that this is central to the U.S. strategy with Ukraine
- Major renewable energy companies trading on NASDAQ have experienced noticeable devaluation in share price [1]
- There are four key steps to building resilience against trade and political disruption

Although many expected the election of President Trump to herald a degree of disruption, few could have predicted the wider array of events that have struck the renewables industry. Investors, developers and insurance professionals are asking: what does the future hold, and is this uncertainty a near-term blip or a symptom of deep-rooted long-term issues?

In our 2025 Global Clean Energy Survey, 61% of renewable energy companies ranked geopolitics as one of the top three risks facing their clean energy strategy[2].

The U.S. is claiming their stake of critical minerals

The inauguration of President Trump to the White House and his disruption of global trade was arguably a reaction against an increasing perception of strategic challenges posed by China, and President Trump's trade strategy is more far-reaching than the solar panel industry alone. At the center of his economic policy lies a demand for rare earths and critical minerals. Exploration and mining licences have become a strategic a priority, and is at the center of the attempted peace deal between Russia and Ukraine.

The chess match continues, pushing pieces off the board

Partly in response to uncertainty of U.S. policies, major renewable energy companies trading on NASDAQ have experienced noticeable devaluation in share price with potential disruption to acquisitions and divestments[1]. Shares in key manufacturers of wind technology were hit hard by President Trump on day one of his presidency, who signed an executive order temporarily suspending federal offshore wind leasing upon taking office, stating that "we're not going to do the wind thing"[3]. These executive orders, alongside the tariffs announced in April, have driven the world's largest offshore wind farm developer to halt the development of a 2.4-gigawatt offshore wind farm located in the North Sea[4]. Rises in supply chain costs and interest rates have been cited as primary reasons for canceling the project[4].

Pressures are amplifying across supply chains

Driven by these disruptive events, issues continue to ripple across global supply chains, including within the U.K. domestic market, where a new national energy company faced a backlash from campaigners for initially planning to use Chinese solar panels due to concerns around their manufacturing practices[5].

Lessons learned from the blackout in Spain

The blackout in Spain in April 2025 is a troubling reminder of the potential limitations faced by existing distribution networks dominated by renewable energy generation that require upgrading and balancing for the future. With around 70% of Spain's electricity grid relying on wind and solar energy sources, the pervading narrative is the need to build resilience[6]. With millions of people without power, flights grounded, businesses closed and data networks failing as a result of the outages, the fallout can be measured comfortably into the billions[7].

Insurance is an important tool to withstand volatility

President Biden's Inflation Reduction Act[8], supported a buoyant renewable energy market, but events such as Trump's election, the blackout in Spain, and grid and control issues following a fire at transformer substation at Heathrow Airport in the U.K. continue to sharpen investors', developers', operators and policy makers' attitudes to risk. Recent events act as reminders of the importance of risk management and sound contingency.

Download the full article to find out which four key steps can build resilience against trade and political disruption.

Footnotes

1. Wisdom Tree, Renewable Energy UCITS ETF (USD) Return to article
2. Global Clean Energy Survey 2025 Report, 61% of 90 renewable energy respondents Return to article
3. Edition (2025) Workers fear for the future as Trump casts a shadow over the wind industry Return to article
4. The Times, Orsted halts major North Sea wind farm project in blow to Miliband, Return to article
5. BBC News (2025) GB Energy to be blocked from using slavery-linked solar Return to article
6. Smart Energy International (2025) Five seconds to failure: Iberia's blackout and grid resilience in a high-renewables future Return to article
7. BBC News (2025) How Spain powered back to life from unprecedented national blackout BBC News Return to article
8. Congress.Gov (2022) Return to article

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