SPENDING ON NEW RENEWABLE ENERGY CAPACITY TO TOTAL $7 TRILLION OVER THE NEXT 20 YEARS, SAYS BLOOMBERG NEW ENERGY FINANCE

London and New York, 16 November 2011 – The annual value of renewable energy capacity installed will double in real terms to $395bn in 2020, rising to $460bn in 2030, compared with $195bn in 2010 – according to analysis company Bloomberg New Energy Finance. As a result, in 20 years' time 15.7% of total energy production will come from renewable sources (including large hydro), up from 12.6% last year.

These are the results of the *Global Renewable Energy Market Outlook*, a major new piece of research published for Bloomberg New Energy Finance clients, presenting the firm's latest forecasts on the size of the world renewable energy markets out to 2030.

Geographically, Europe will remain one of the biggest markets for money spent on renewable energy projects for the next three years, but with a dwindling share of world investment as European Union governments scale back clean energy support in the face of sovereign debt problems. Growth in the European market will resume post 2015 as investment scales up to meet the EU 2020 renewable energy target.

China will take over the lead in renewable energy asset finance from Europe in 2014, with an annual spend of just under $50bn[1]. The US and Canada are also expected to see no lasting slowdown in project construction, together hitting $50bn of investment in 2020.

The most rapid growth will be seen in the rapidly developing economies of India, the Middle East, Africa and Latin America, with projected growth rates of 10-18% per year over the period 2010 to 2020.
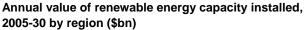
With regard to technologies, cost reductions will spur deployment of solar power, which will undergo the second-fastest percentage growth of all technologies (after offshore wind) from 51GW in 2010 to 1,137GW by 2030. This will require significant capital – an annual average of $130bn over 2010-30 compared with $86bn in 2010.
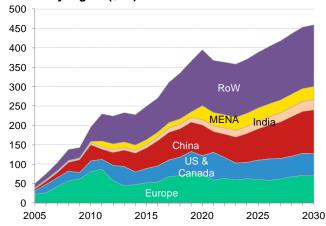
The wind (on- and offshore) sector will continue to expand, attracting $140bn in 2020 and $206bn per annum by 2030 (2010: $82bn). New areas of growth will come from European offshore wind and emerging markets in Latin America, Turkey, Africa and Australia. In those latter countries, there is a favourable combination of good resources and underlying power demand growth combined with a desire to diversify the energy mix. In addition, repowering will represent a significant market over the next 20 years in the US and Europe, where there are many older turbines on resource-rich sites.

The bioenergy sector will see renewed activity, with the commercialisation of second-generation technologies. Investment in biofuels, biomass and waste-to-energy is projected to increase from $14bn in 2010 to $80bn in 2020 and then remain level over the next decade.
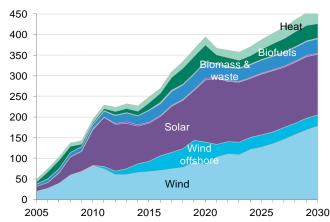
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[1]   The figures presented in the report cover the value of renewable energy assets installed in a particular year, and therefore differ slightly from Bloomberg New Energy Finance's annual investment data, which measure transactions at the point when the financing was secured. In addition, this report covers renewable heat as well as renewable power and renewable fuels. This report estimates money spent on renewable energy assets – calculated as annual build (GW) multiplied by country-specific capital cost of technology. In most major renewable energy markets, there is a lag of some 2-3 years between when money is raised and when project begins operations.

Guy Turner, director of commodity market research at Bloomberg New Energy Finance, said: *"These results indicate that last year's record renewable energy investment was no one-off despite the recent economic gloom. Big winners over the next 20 years will be the emerging renewable energy hubs in Latin America, Asia, the Middle East and Africa – by 2020 the markets outside of the EU, US, Canada and China will account for 50% of global annual investment in renewable energy capacity."*

Annual value of renewable energy capacity installed, 2005-30 by region ($bn)

Annual value of renewable energy capacity installed, 2005-30 by technology sector ($bn)

Source: Bloomberg New Energy Finance

Global Renewable Energy Market Outlook

The analysis has drawn on the contribution of over 65 technical experts within Bloomberg New Energy Finance across all the main renewable energy technologies and geographical regions. The near-term section of the market outlook is based mainly on our detailed understanding of the construction pipeline in each sector, while further out, the forecasts model the interaction of energy policies in each region with the costs and resource availability of each technology in each major country. The analysis covers asset finance in all the main forms of renewable energy such as those used for power generation – including small distributed systems - heat and biofuels. The projections extend to 2030 across all renewable energy technologies and geographical regions.

ABOUT BLOOMBERG NEW ENERGY FINANCE

Bloomberg New Energy Finance (BNEF) is the world's leading independent provider of news, data, research and analysis to decision makers in renewable energy, energy smart technologies, carbon markets, carbon capture and storage, and nuclear power. Bloomberg New Energy Finance has a staff of 200, based in London, Washington D.C., New York, Tokyo, Beijing, New Delhi, Singapore, Hong Kong, Sydney, Cape Town, São Paulo and Zurich.

Bloomberg New Energy Finance serves leading investors, corporates and governments around the world. Its Insight Services provide deep market analysis on wind, solar, bioenergy, geothermal, carbon capture and storage, smart grid, energy efficiency, and nuclear power. The group also offers Insight Services for each of the major emerging carbon markets: European, Global Kyoto, Australia, and the U.S., where it covers the planned regional markets as well as potential federal initiatives and the voluntary carbon market. Bloomberg New Energy Finance's Industry Intelligence Service provides access to the world's most reliable and comprehensive database of investors and investments in clean energy and carbon. The News and Briefing Service is the leading global news service focusing on clean energy investment. The group also undertakes applied research on behalf of clients and runs senior level networking events.

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