

# RENEWABLE ENERGY

## Medium-Term Market Report 2015

### *Launch of Medium- Term Renewable Energy Market Report 2015*

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**Market Analysis and Forecasts to 2020**

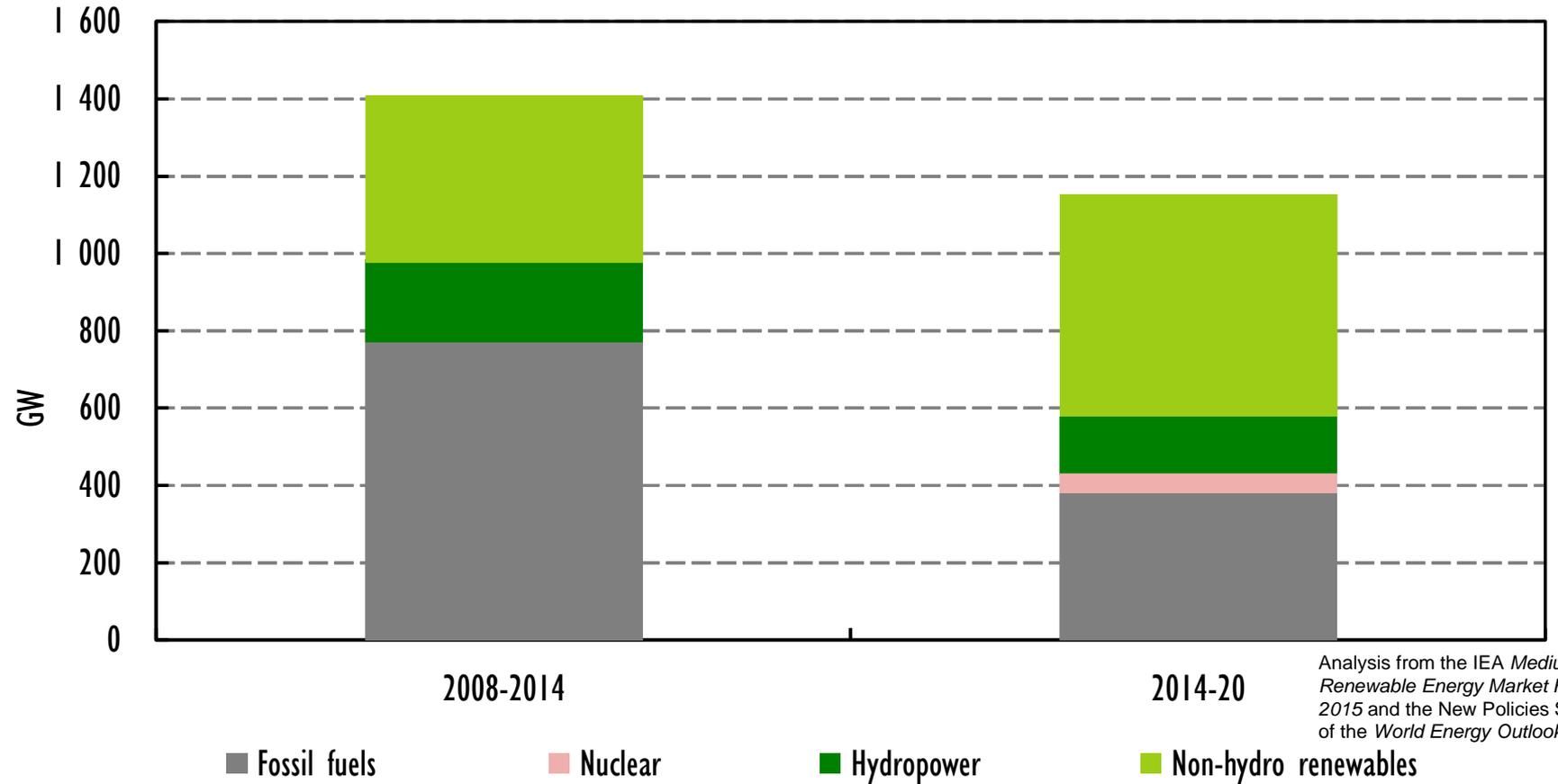
G20 Energy Ministerial, Istanbul, October 2015

# Profound changes underway in energy markets

- **Signs of decoupling of energy-related CO<sub>2</sub> emissions and global economic growth**
- **Oil prices have fallen precipitously, raising questions over the competitiveness of renewables**
- **But policy drivers for renewable electricity – energy diversification, local pollution and decarbonisation – remain robust**
- **Renewables are key to the unprecedented pledges ahead of COP 21**
- **Renewables to become first source for electricity in the longer term, but addressing policy uncertainty in the next five years is crucial**

# Renewables are becoming the largest source of new power generation capacity

## World net additions to power capacity

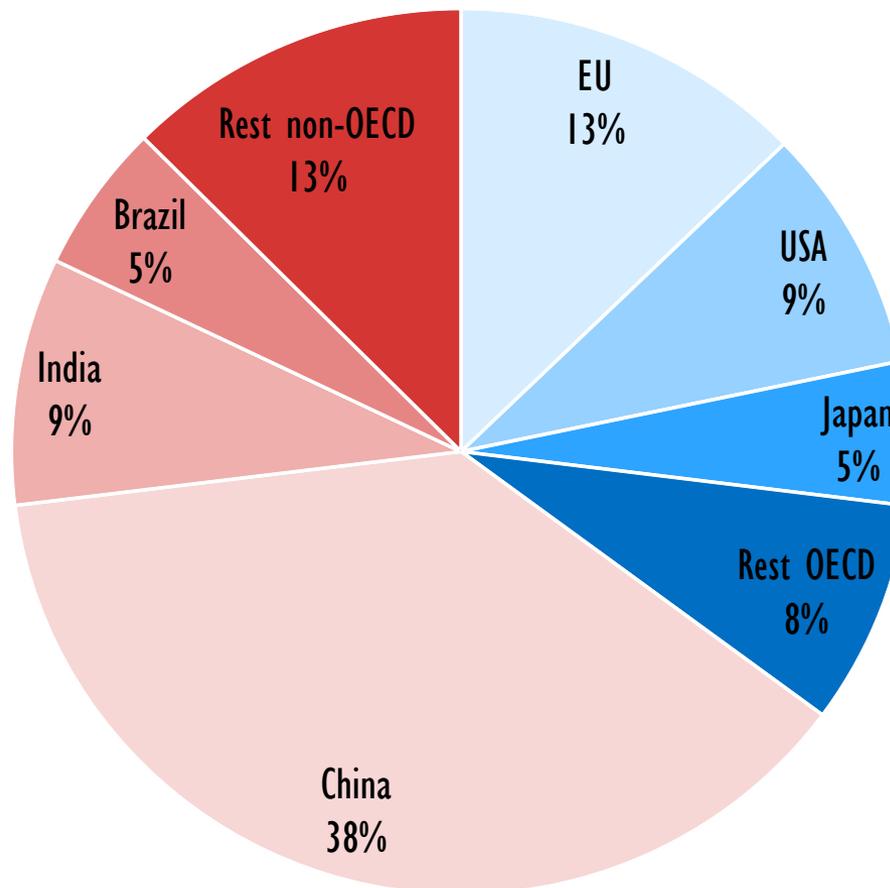


Analysis from the IEA *Medium-Term Renewable Energy Market Report 2015* and the *New Policies Scenario of the World Energy Outlook 2015*.

**The share of renewables in net additions to power capacity continues to rise with non-hydro sources reaching nearly half of the total**

# Growth shifting to emerging markets and developing countries

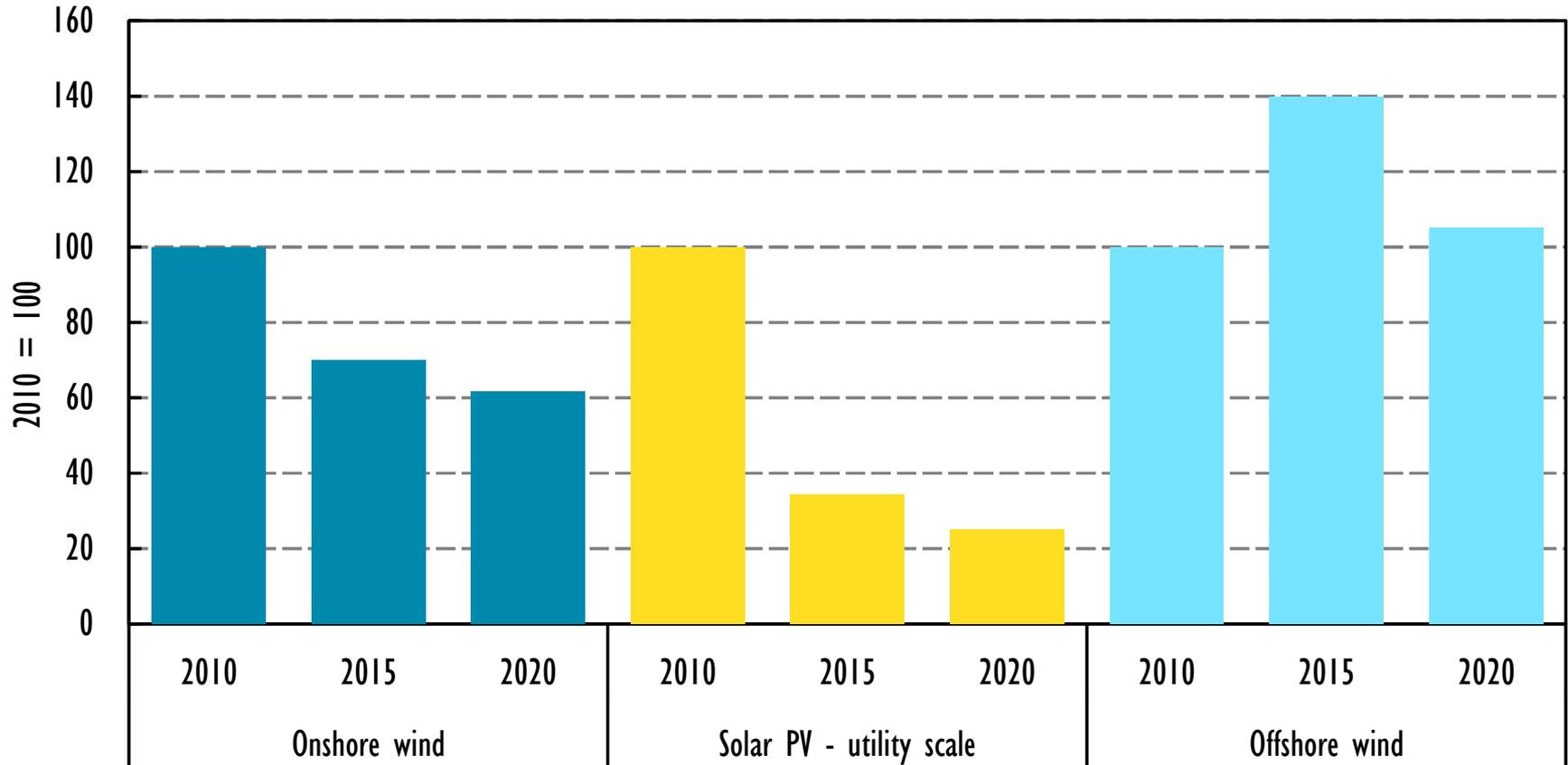
## Shares of net additional renewable power capacity, 2014-20



*As the OECD slows, non-OECD countries account for two-thirds of renewable growth, driven by fast-growing power demand, diversification needs and local pollution concerns*

# More renewables for less money

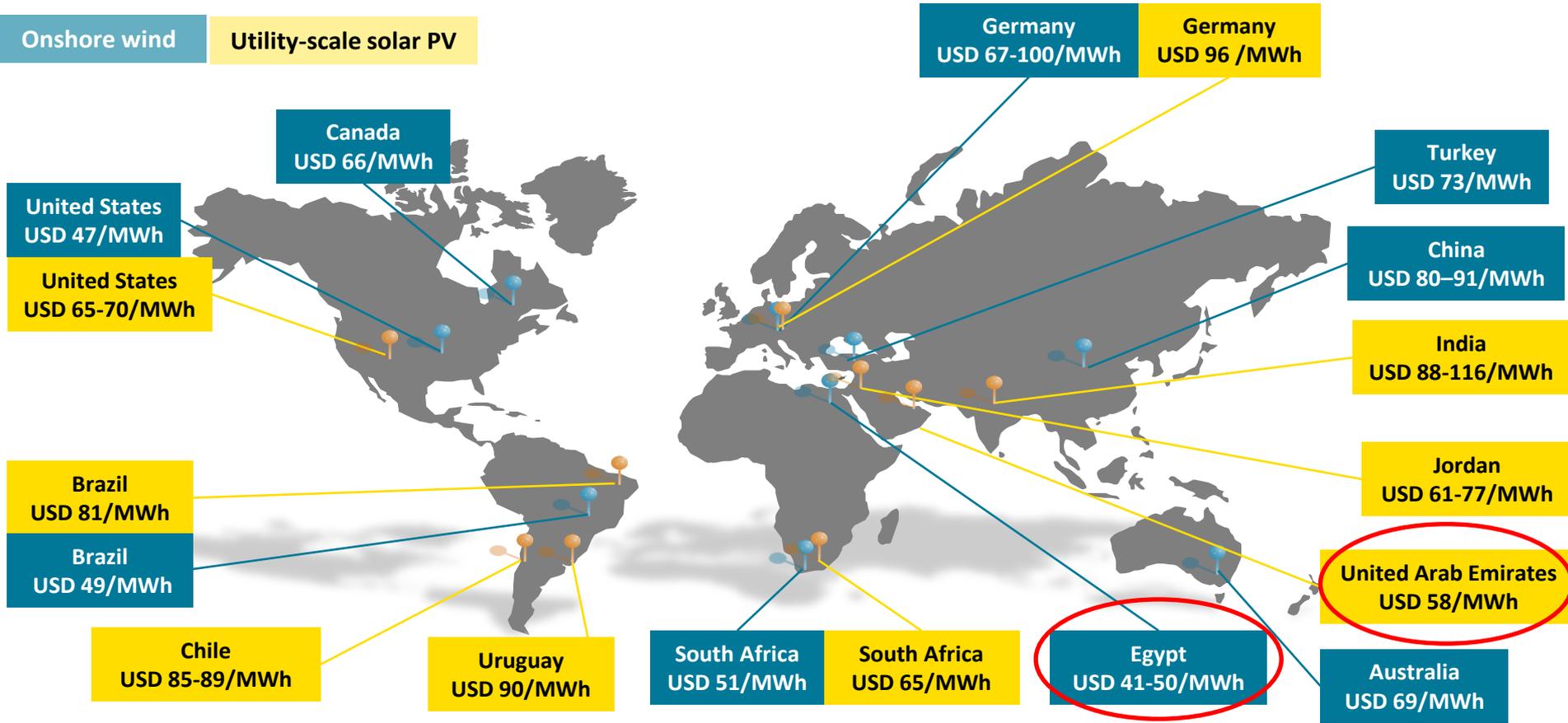
## Global indicative generation costs for new plants



***High levels of incentives are no longer necessary for solar PV and onshore wind, but their economic attractiveness still depends on the regulatory framework and market design***

# Evidence of lower costs on the horizon

## Recent announced long-term contract prices for new renewable power

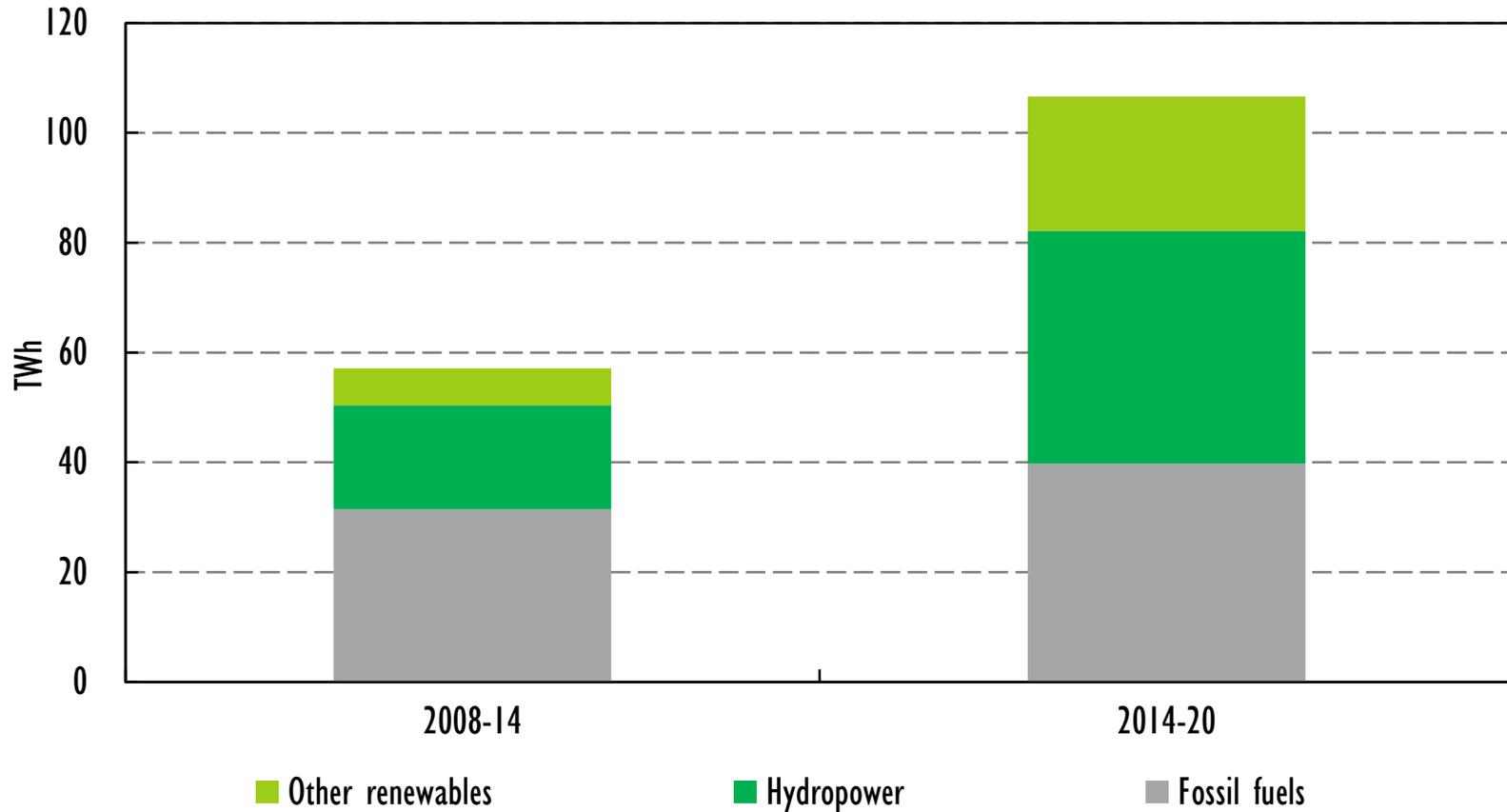


This map is without prejudice to the status or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area

***A combination of price competition, long-term contracts, good resources and financial de-risking measures is creating deployment opportunities in newer markets and at lower costs***

# Renewables can power Africa's economic growth

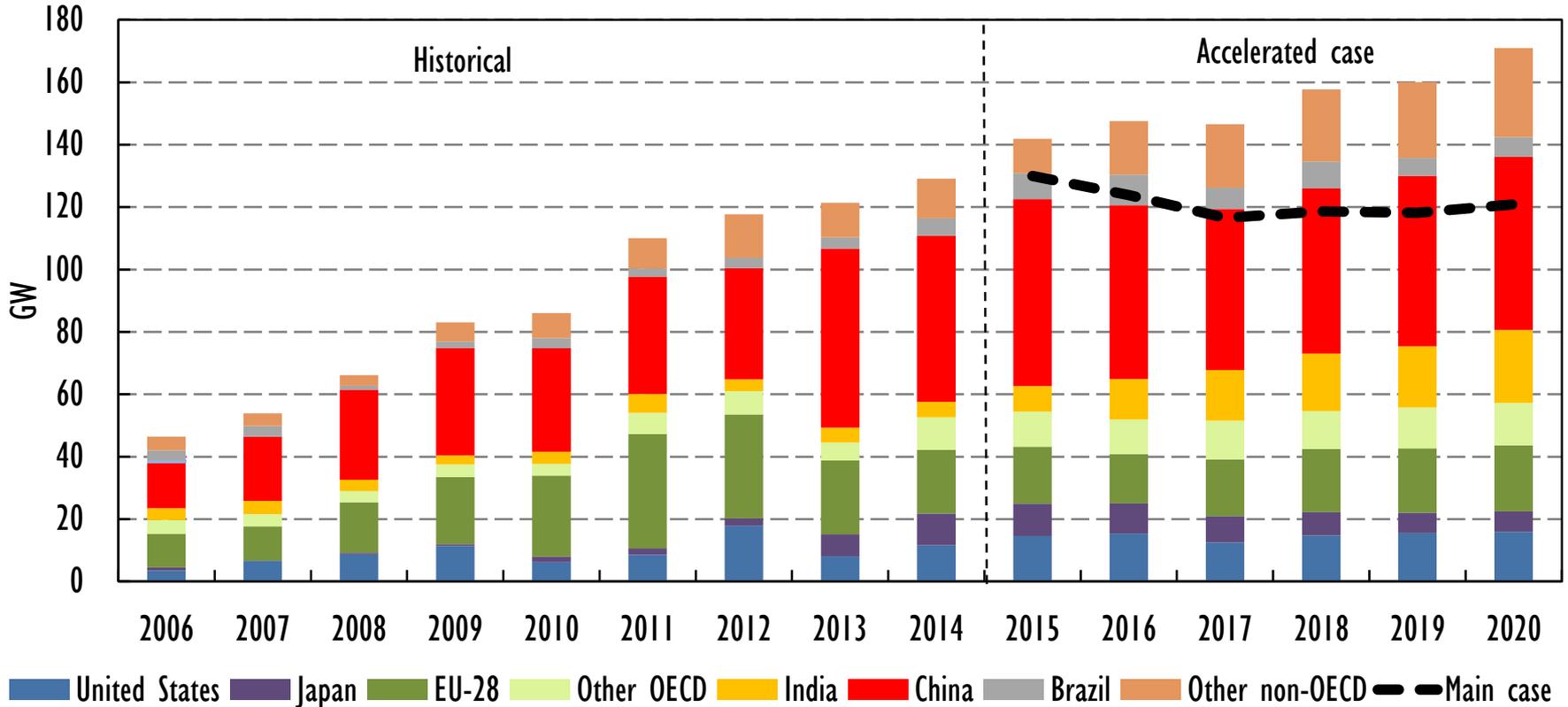
## Sub-Saharan Africa power demand growth versus supply sources



***With huge resources, improving cost-effectiveness and policy momentum, renewables account for almost two-thirds of demand growth in Sub-Saharan Africa***

# G20 countries can get renewables growth back on track to meet climate goals

World renewable power annual capacity additions, *main vs. accelerated case*



**Accounting for 80% of renewable growth, G20 countries can accelerate global deployment by 25% with better domestic policies and G20 coordinated action**

# A decisive moment for the future of renewables

- Increasingly affordable renewables are set to dominate the growing power systems of the world
- The effect of the lower oil price environment on global renewable growth is more perception than reality, though biofuels are an exception
- Yet, wavering policy commitments risk undermining investor confidence and are dampening growth
- While variability of renewables is a challenge energy systems can learn to adapt to, variability of policies poses a far greater risk
- G20 countries hold the keys to accelerated growth of renewables to meet energy security, local air pollution and climate protection goals