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STRONGER FIRST QUARTER FOR GLOBAL INVESTMENT IN CLEAN ENERGY

Small-scale solar in Japan and the US, and renewable power financings in emerging markets, help investment to rise 10% compared to Q1 2013

London and New York, 16 April – Investment in clean energy worldwide rallied nearly 10% in the first quarter of 2014 compared to the same period a year earlier, reaching \$47.7bn.

The first-quarter figure owed much to a 42% jump in investment in small-scale solar, as households and businesses in countries such as Japan and the US took advantage of the big falls that have taken place in the cost of photovoltaic systems over recent years.

The first quarter is often the weakest of the year for investment in clean energy, reflecting the fact that developers tend to rush to finance projects in the closing months of each year to take advantage of expiring subsidies, and also the effect of colder weather in the Northern Hemisphere on project progress. So, although global investment in Q1 2014, at \$47.7bn, was down on Q4's \$58.1bn, the more useful comparison is with the first quarter of 2013's \$43.6bn.

Michael Liebreich, chairman of the advisory board for Bloomberg New Energy Finance, commented: "It is too early to say definitively that 2013 was the low point for clean energy investment worldwide and that 2014 will show a rebound, but the first-quarter numbers are encouraging.

"Two trends, in particular, are worth picking out – the increasing share of small-scale solar in overall investment, following a 50%-plus improvement in PV's levelised cost of electricity per MW over the last four years; and the geographical expansion of investment to more and more emerging economies. In Q1, we saw two of the top four asset finance deals happening in Indonesia and Kenya."

Breaking the figures down by region, Asia and Oceania excluding China and India saw \$12.1bn of investment in Q1 2014, up 26% compared to the same quarter of 2013, helped by the solar boom in Japan. The US enjoyed a 95% gain in Q1 compared to a year earlier, although investment - at \$7.9bn - was only half the bumper figure for Q4 last year, when a number of large wind projects were financed.

Europe's investment was down 30% compared to Q1 2013, at \$11.1bn, while China's was up 18% at \$9.9bn. The biggest percentage gain on the year came in Brazil, where investment rebounded to \$1.3bn in Q1 this year, up 211%. The Americas excluding the US and Brazil saw an 11% drop in investment compared to the same quarter last year, with the latest figure at \$2.1bn. The Middle East and Africa managed an 82% increase to \$2.4bn.

Looking at the different types of investment, the dominant driver of the rise in investment was spending on small-scale projects of less than 1MW, including rooftop solar. This increased 42% compared to the first quarter of 2013, reaching \$21.2bn.

Also rising strongly year-on-year was public markets investment in specialist clean energy companies, with a 195% gain to \$3.6bn. The biggest capital raisings of the quarter were a \$2bn convertible issue by US electric vehicle maker Tesla Motors, followed by a \$603m secondary share issue by Danish turbine manufacturer Vestas Wind Systems.

Helping to spur public market investment was another bright performance from clean energy shares. The WilderHill New Energy Global Innovation Index, or NEX, which tracks around 100 clean energy stocks worldwide, appreciated 11% in the first quarter, to roughly double its low of July 2012.

Venture capital and private equity investment fell 26% from Q1 2013, to hit \$1.2bn in the first quarter of this year. Among the largest deals were a \$125m round for US financing platform Renewable Energy Trust Capital, and a \$100m fundraising by View, a US energy-saving smart window developer.

The largest type of investment, asset finance of utility-scale projects of more than 1MW slipped 13% to \$22.8bn. The biggest asset finance deals of the quarter included the investment decision on the West of Dudden offshore wind farm in UK waters, at \$2.1bn for 389MW; the Sarulla geothermal project in Indonesia, at \$1.6bn for 330MW; the Lake Turkana wind project in Kenya, at \$860m for 310.5MW; and the 270MW K2 wind project in Canada.

Overall investment in solar was up 23% at \$27.5bn, while that in wind fell 16% to \$13.9bn. Investment in energy-smart technologies such as smart grid, efficiency, power storage and electric vehicles, powered up 243% year-on-year to \$3.1bn in Q1, while investment in biofuels fell 28% to \$664m. Investment in geothermal heated up from virtually nothing in Q1 2013 to \$1.8bn in the first quarter of this year.

Corporate merger and acquisition activity, which is not included in the new investment figures above, leapt 57% to \$7.1bn in the first quarter of 2014 compared to the same period a year earlier, helped by Google's \$3.2bn takeover of energy-efficient thermostat company Nest Labs.

Note: Bloomberg New Energy Finance reported on 15 January that global investment in clean energy in 2013 as a whole fell 11% to \$254bn, the lowest annual figure since 2009. As well as the ingredients that make up the quarterly statistics, the annual figures include research and development spending and certain types of asset finance that cannot be broken out by quarter.

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