CLEAN ENERGY INVESTMENT TRENDS

ESMAP: KNOWLEDGE EXCHANGE FORUM

THE WORLD BANK, WASHINGTON, DC

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Objective: serve clients with the best intelligence on finance, technology and policy developments in clean energy, energy efficiency and carbon markets
AGENDA

Investment overview

Levelized cost of energy

Thoughts on policy
GLOBAL TOTAL NEW INVESTMENT IN CLEAN ENERGY, 2004-10 ($BN)

Note: Includes corporate and government R&D, and small distributed capacity. Adjusted for re-invested equity. Does not include proceeds from acquisition transactions.

Source: Bloomberg New Energy Finance
NEX CLEAN ENERGY INDEX, 2003-10

Note: Values as at 7 January 2010; AMEX Oil, NASDAQ and S&P rebased to 100 on 1 January 2003

Source: Bloomberg New Energy Finance
TOTAL FINANCIAL AND SMALL SCALE PROJECT CLEAN ENERGY INVESTMENT, 2010 $BN

CLEAN ENERGY, ENERGY EFFICIENCY AND CCS COMPONENTS OF NATIONAL ECONOMIC STIMULI, $BN

Source: Government, Bloomberg New Energy Finance
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- Investment overview
- Levelized cost of energy
- Final thoughts on policy
LEVELISED COST OF ENERGY Q3 2010: $/MWH

Source: Bloomberg New Energy Finance
LCOE CHANGE 2008-2010: $/MWH

Source: Bloomberg New Energy Finance
PROJECTED PV COSTS, UTILITY SCALE PROJECTS
IRR DEPENDING ON THE REAL PRICE OF OIL IN 2030 WITH INITIAL PV CAPITAL COST OF $3.14/W

Source: Bloomberg New Energy Finance
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DOMESTIC CONTENT RULES: VIRTUOUS COMPETITION OR PERNICIOUS IMPOSITION ON FREE TRADE?

• With international climate talks generally stalled, individual countries are acting to put in place feed-in-tariffs, national targets, and other policies.
• “Virtuous competition” but economic development is a major political driver.
• The upshot: explicit or implicit domestic content policies in China, Brazil, India, Ontario, and the US.
• Conflicts growing. Recent headlines:
  • US Senator vents at stimulus pay outs to foreign-owned wind firms
  • US Files WTO Complaint Against China Over Wind-Power Aid
  • China Says Obama Seeking ‘Votes' With Clean Energy Case
  • Japan Files WTO Case on Canada’s Renewable Energy Subsidy
  • UNICA Calls for WTO Action Against the US on Ethanol Tariff
  • GE Asks Court to Rule Mitsubishi Violates Two Patents
• Conflicts unlikely to abate anytime soon.
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- Energy Smart Technologies
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