GLOBAL CLEAN ENERGY INVESTMENT SUSTAINS ITS RECOVERY

*Figures for the third quarter show another year-on-year rise, with a solar boom in China the biggest single contributor*

*London and New York, 2 October* — World clean energy investment in the first three quarters of this year was 16% ahead of the same period of 2013, at $175.1bn\(^1\), making it almost certain that 2014 will produce a bounce-back in dollars invested after two years of decline.

Authoritative figures published today by Bloomberg New Energy Finance, based on its real-time data transactions and projects, show that clean energy investment in the July-to-September quarter was $55bn, up 12% from the $48.9bn achieved in Q3 2013. The third quarter is generally weaker than the second quarter, as it was this year, with the Q3 total 16% down on a strong $65.2bn in Q2 2014.

The highlight of the third quarter was a leap in Chinese solar investment to a new record of $12.2bn, up from $7.5bn in Q3 2013 and $8bn in Q2 2014. China is building a large number of utility-scale photovoltaic projects linked to its main transmission grid, and Bloomberg New Energy Finance forecasts that its solar installations will total 13-14GW in 2014, nearly a third of the world total.

There were other strong investment figures in Q3 from Japan, at 8.6bn, up 17% from the same quarter in 2013, with solar again the dominant renewable energy source. Other countries showing a bounce in investment in the latest quarter were Canada, France and India, while there were significant projects financed in a number of new markets, including Myanmar and Sri Lanka.

Michael Liebreich, chairman of the advisory board at Bloomberg New Energy Finance, commented: "It is heartening to see investment heading for an up-year in 2014 after two down-years, thanks in large part to the greatly enhanced competitiveness of solar, and to some extent wind.

"However, there is no room for complacency because clean energy investment of between $200bn and $300bn a year is not large enough to herald the rapid transformation of the power system that experts say is required if the world is to see a peak in CO2 emissions around 2020. There is still too much policy instability holding back investor confidence."

The Q3 2014 figures showed global asset finance for clean energy projects such as wind farms, solar parks and geothermal plants reaching $33.3bn, up slightly from $32.8bn in the third quarter of last year. Investment in small-scale projects such as rooftop solar was $18.3bn, up from $13.9bn a year earlier, while equity capital raised by specialist clean energy companies on the public markets was $2.7bn, up

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\(^1\) This three-quarter tally excludes research and development and energy smart technologies asset finance, which are only estimated annually.
from $2bn in Q3 2013. Venture capital and private equity investment was $918m in Q3 2014, up from a multi-year low of $592m in the same quarter of 2013.

Among the eye-catching asset finance deals of the July-to-September period were $1.1bn for the 231MW Shizen Energy Setouchi PV project in Japan, an estimated $850m for the 530MW Huanghe Hydroelectric Gonghe Longyangxia PV plant phase two in China, and $642m for the 60MW Dublin waste-to-energy project in Ireland.

Public market transactions included a $620m secondary share issue by Chinese PV manufacturer Hareon Solar Technology, a $577m initial public offering by US renewable energy generator TerraForm Power, and a $305m issue by Spanish wind turbine maker Gamesa Corporacion Tecnologica. The biggest venture and private equity transactions were $250m for Mexican wind developer Zuma Energia, and $80m for Chinese LED lighting specialist Lattice Power.

A regional breakdown of clean energy investment showed the continuing troubles of the sector in Europe, where just $8.8bn was committed last quarter, the lowest figure for over eight years, down from $12.1bn a year ago. There was a notably weak total from the UK, at $789m, down from $3.1bn a year earlier as policy uncertainties took a toll. Germany was at $1.5bn compared to $1.6bn in Q3 2013, and Italy at just $262m compared to $1bn, reflecting the impact on investor confidence of retroactive cuts in support for existing solar projects. France saw a rise to $1.4bn from $951m in Q3 2013.

The US saw clean energy investment of $7.3bn in Q3 2014, well down from $10.7bn in Q2 but up from $5.7bn in the third quarter of last year. Overall Chinese clean energy investment was $19.9bn in Q3, up from $15.1bn a year earlier, while India's investment totalled $2bn, up from $1.3bn. Canadian investment was $1.9bn, up from $1.3bn, and Brazil's was $863m, up slightly from $830m but still one of that country's weakest quarterly figures for many years.

Luke Mills, associate, clean energy economics at Bloomberg New Energy Finance, said: "The third quarter data owed a lot to solar in China and Japan. We would expect to see a broader range of countries and technologies attracting investment in the billions of dollars in the fourth quarter, traditionally the busiest of the year for clean energy."

Note: Bloomberg New Energy Finance has made revisions to past years' totals for investment, to reflect additional information. These do not affect the historical trend. The revised figures show global clean energy investment including R&D and energy smart technology asset finance rising from $60.4bn in 2004 to $205.2bn in 2008, marking time at $205.8bn in 2009, before increasing again to $272.6bn in 2010 and a peak of $317.1bn in 2011, and then falling back to $284.6bn in 2012 and 250.7bn in 2013.

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2 EST asset finance includes smart grid and storage investments.
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