

RENEWABLE ENERGY IS NOW THE CHEAPEST OPTION - EVEN WITHOUT SUBSIDIES *

In recent years, the world has marched towards renewable energy. According to a new report by the International Renewable Energy Agency (IRENA), unsubsidized renewable energy is now most frequently the cheapest source of energy generation. The report finds that the cost of installation and maintenance of renewables, which was an important stumbling block to mass adoption, continues on a downward trajectory.

Adding to existing efforts made by governments and businesses, these lower costs are expected to propel the mass adoption of renewables even further. The report further touches on the importance of renewables in sustainable development and the need for governments to help achieve the climate goals of the Paris Agreement.

Among other findings the IRENA report highlights that:

- Onshore wind and solar PV power are now, frequently, less expensive than any fossil-fuel option, without financial assistance.
- New solar and wind installations will increasingly undercut even the operating-only costs of existing coal-fired plants.
- Low and falling technology costs make renewables the competitive backbone of energy decarbonization – a crucial climate goal.
- Cost forecasts for solar PV and onshore wind continue to be revised as new data emerges, with renewables consistently beating earlier expectations.

Further data from REN21's Renewable Global Status Report show that over one fifth of global electrical power production is now generated from renewables.

For many years, financing entities perceived renewables as risky because of high cost, leading to high lending rates for individuals and businesses that need funding for renewable power generation. As the IRENA report depicts, this trend has been on the decline since the early 2000s. The worldwide weighted average cost of electricity from solar power concentration fell by 26%, that of bioenergy reduced by 14%, solar photovoltaics, geothermal, onshore, as well as offshore wind, fell by 14%, and hydropower by 12%.

These new statistics demonstrate that using renewable energy is increasingly cost-effective compared to other sources, even when renewables must compete with the heavily subsidized fossil fuel industry. Promising signs in the IRENA report show that more an increasing number of corporates are entering the renewable energy industry as the number of Power Purchase Agreements (PPAs) rise, meanwhile more than 10 million people are now employed in the global renewable energy industry.