

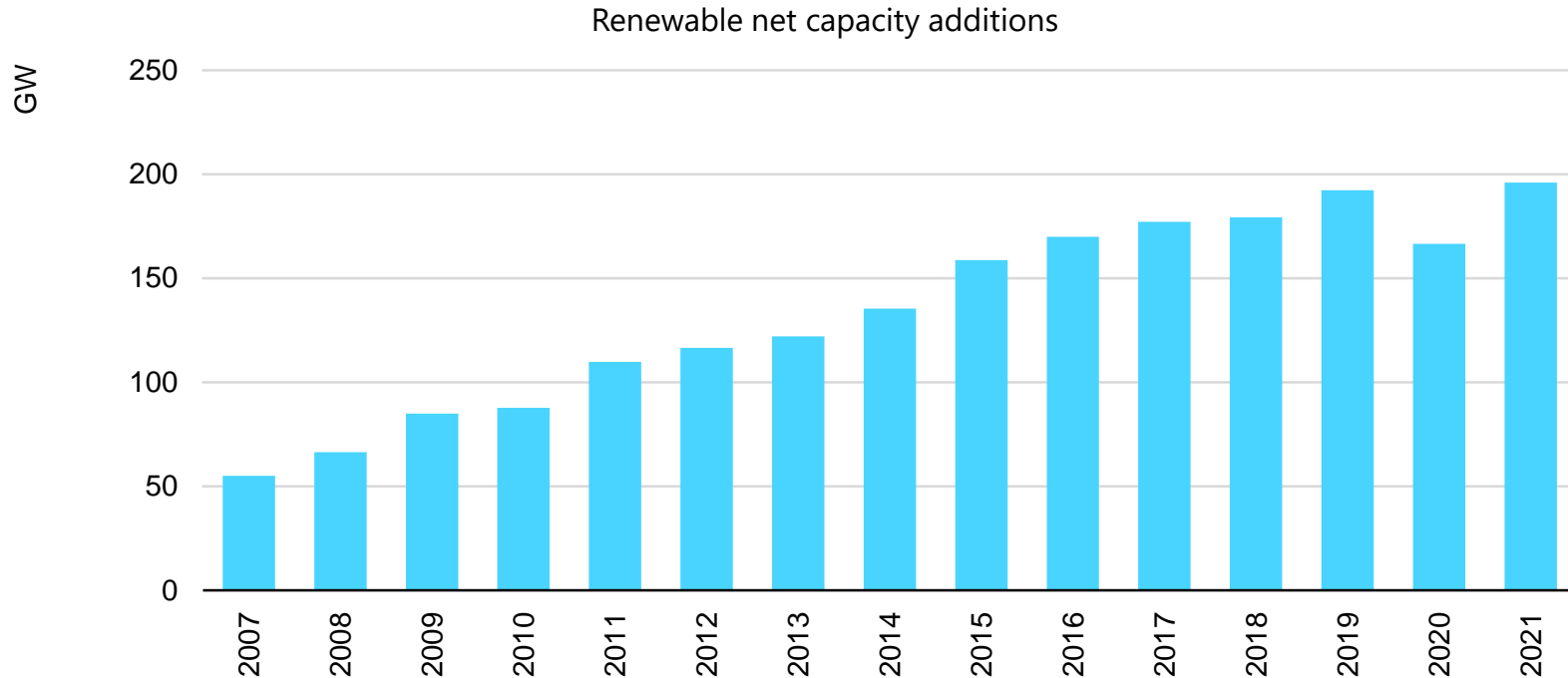


# Renewable energy market update

Outlook for 2020 and 2021

Press conference – 20 May 2020

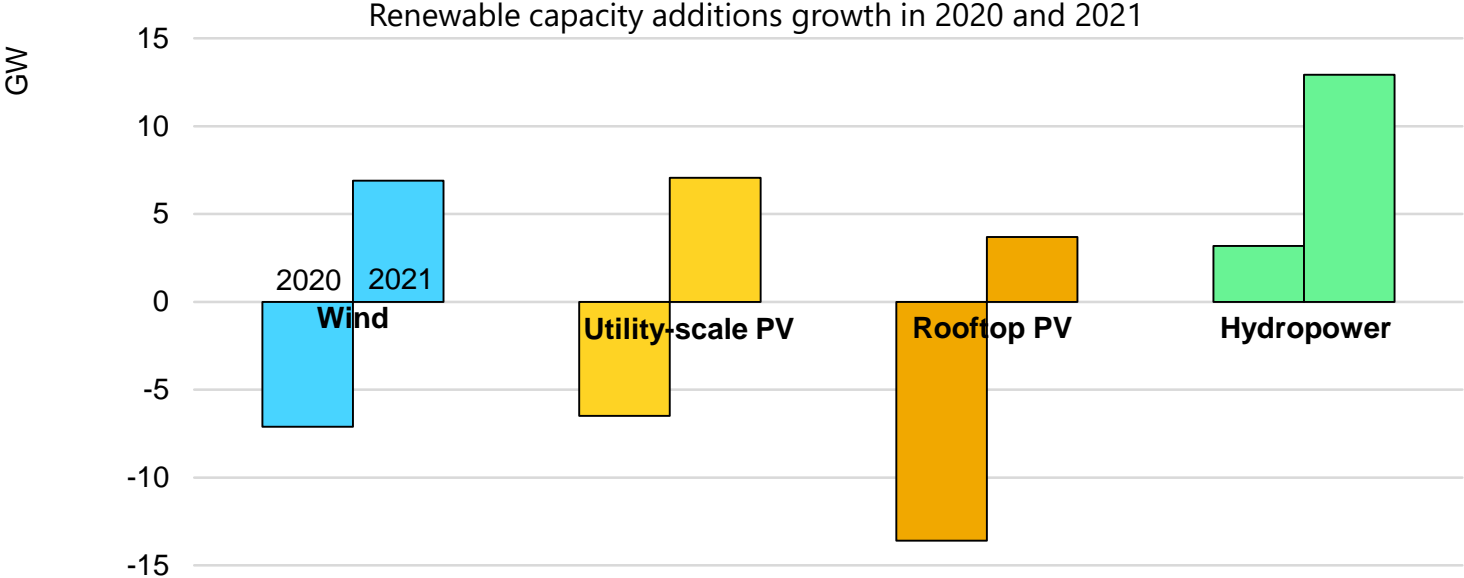
# Covid-19 causes unprecedented renewable market dynamics



Renewables are affected by Covid-19 but they are resilient.

Capacity additions decline by 13% in 2020 due to delays but they rebound in 2021.

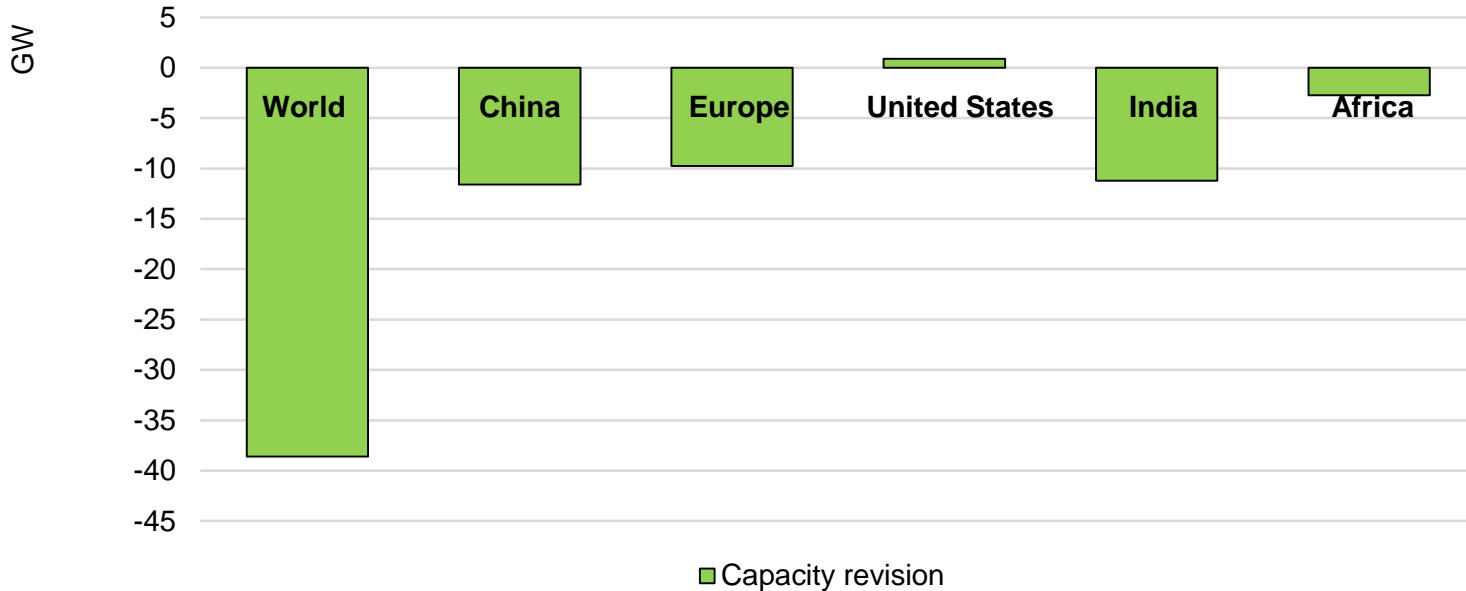
# Rooftop solar PV suffers the heaviest blow



Most wind & PV projects already financed see delays but recover in 2021 with hydropower's contribution. The economic crisis hurts rooftop investments as investors lack short-term liquidity & reprioritise spending.

# Covid-19 affects some regions more than others

Renewable capacity additions revisions in 2020 and 2021

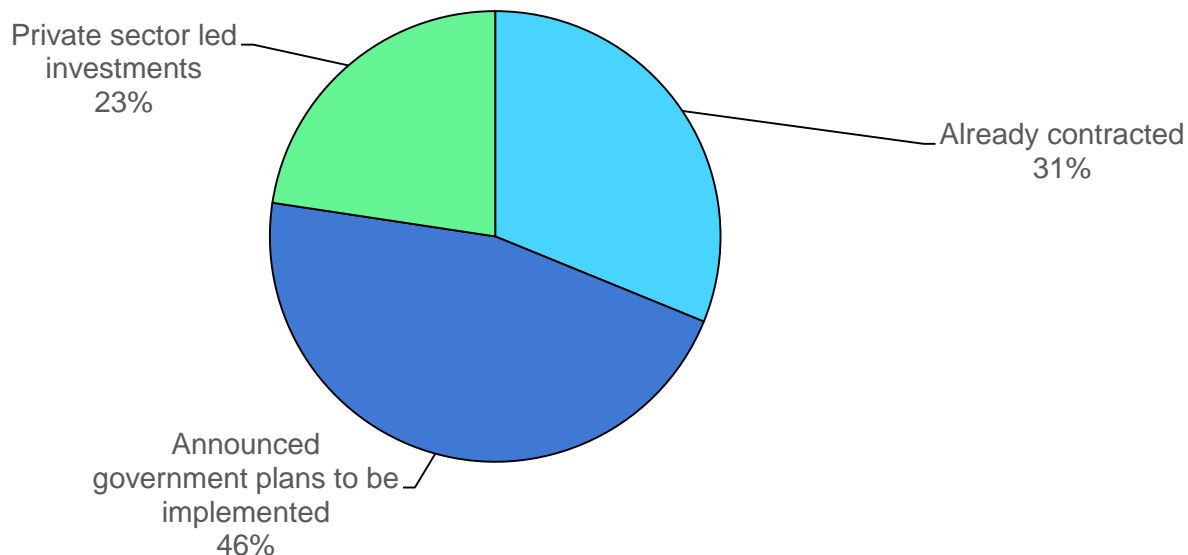


The forecast for 2020-21 combined is revised down by almost 10%. Covid-19 exacerbates existing challenges facing renewable energy in China, Europe and India. The crisis worsens financing challenges in Africa

# The future is uncertain, but the role of governments remains crucial

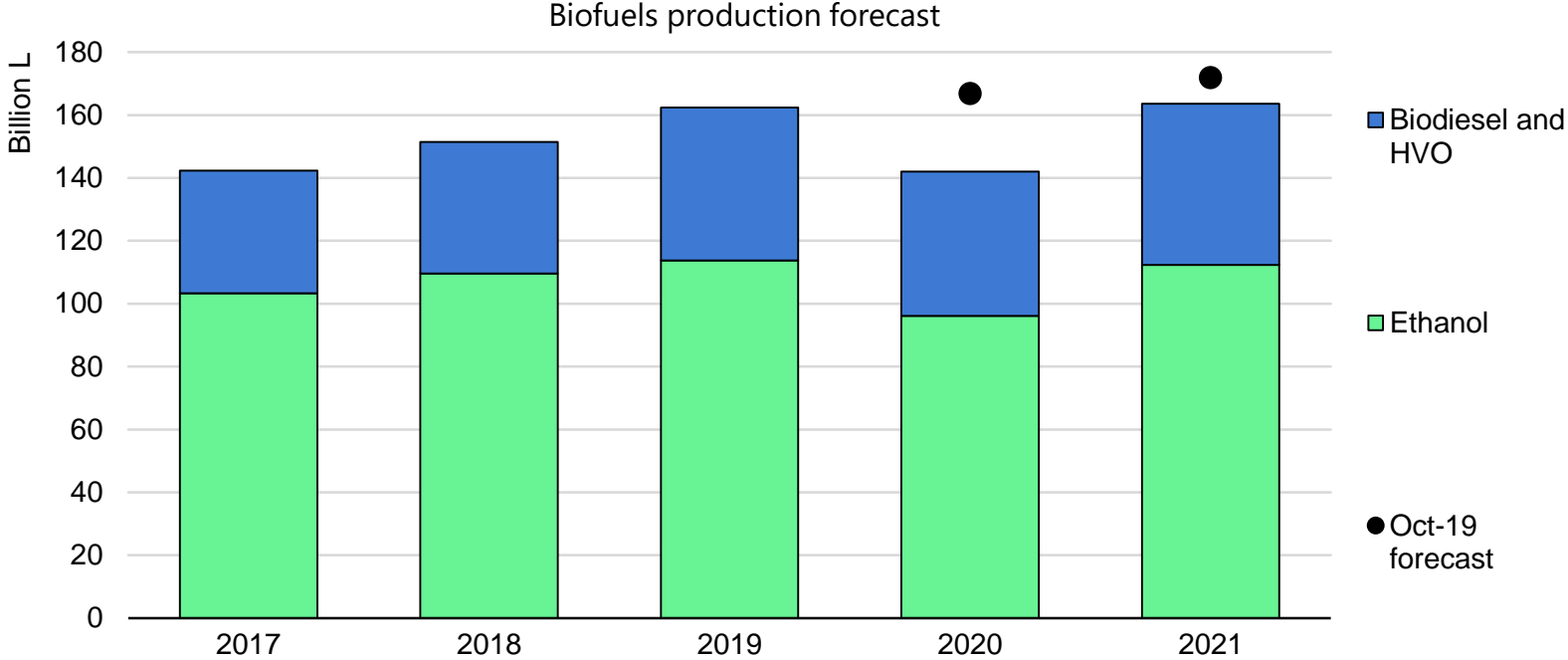
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Wind and PV project pipeline through 2025



Beyond 2021, 70% of wind and PV projects are subject to market and policy uncertainty. Governments must play a key role by providing certainty, keeping long-term ambitions and improving investor confidence.

# Biofuels production declines for the first time in two decades



Biofuel production in 2020 falls by 13% as Covid-19 reduces transport activity, shrinking demand from mandate policies. Low gasoline and diesel prices also challenge the business case for biofuels.

# Conclusions

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- Renewable electricity is more resilient than fossil fuels but still affected by Covid-19 crisis. Even with a rebound in 2021, our forecast is revised down by 10% compared with previous analysis
- Covid-19 exacerbates existing challenges, with rooftop solar PV, transport biofuels and renewable heat expected to be the hardest hit
- Even with continued cost reductions, renewables are not sheltered from future market uncertainty in terms of demand and availability of financing
- The role of governments is more important than ever. They can ensure policy certainty, keep ambitious targets & improve investor confidence in order to accelerate growth beyond 2021
- Including renewables in economic stimulus packages is justified by the structural benefits they can bring in job creation, economic development & innovation while reducing emissions