

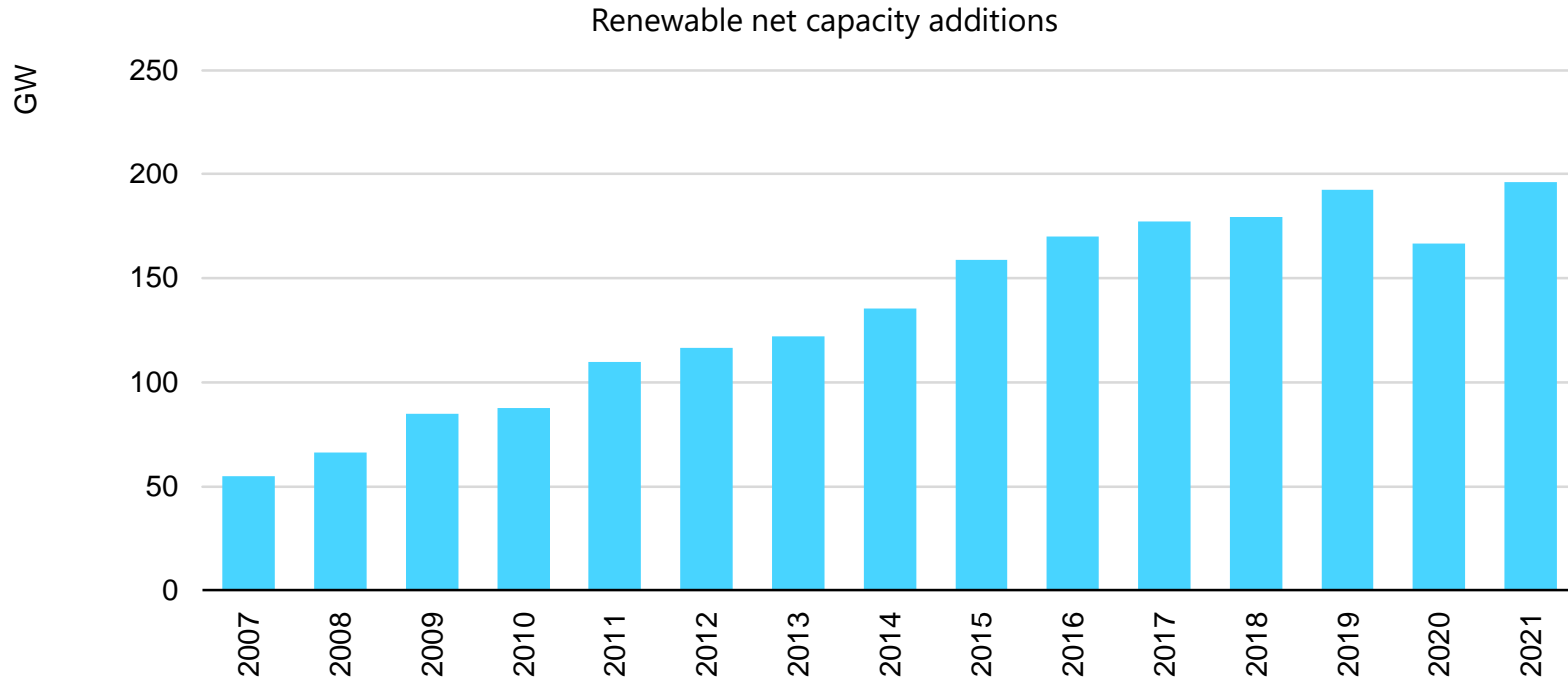


Renewable energy market update

Outlook for 2020 and 2021

Press conference – 20 May 2020

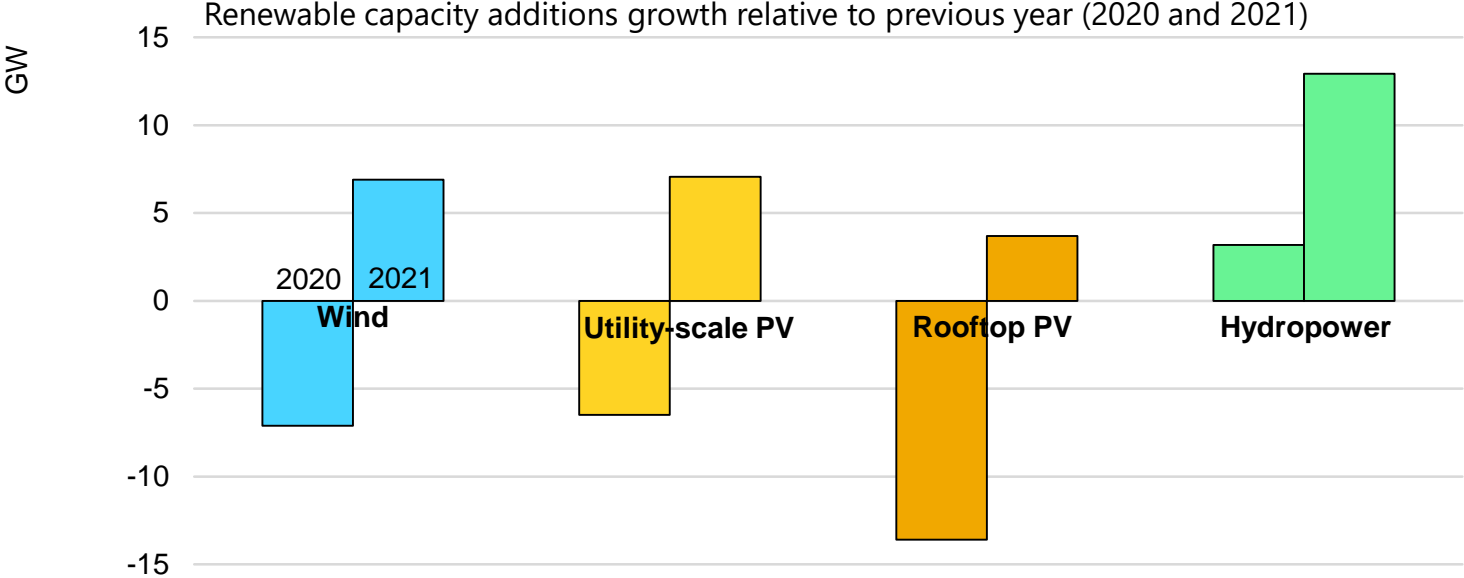
Covid-19 causes unprecedented renewable market dynamics



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.

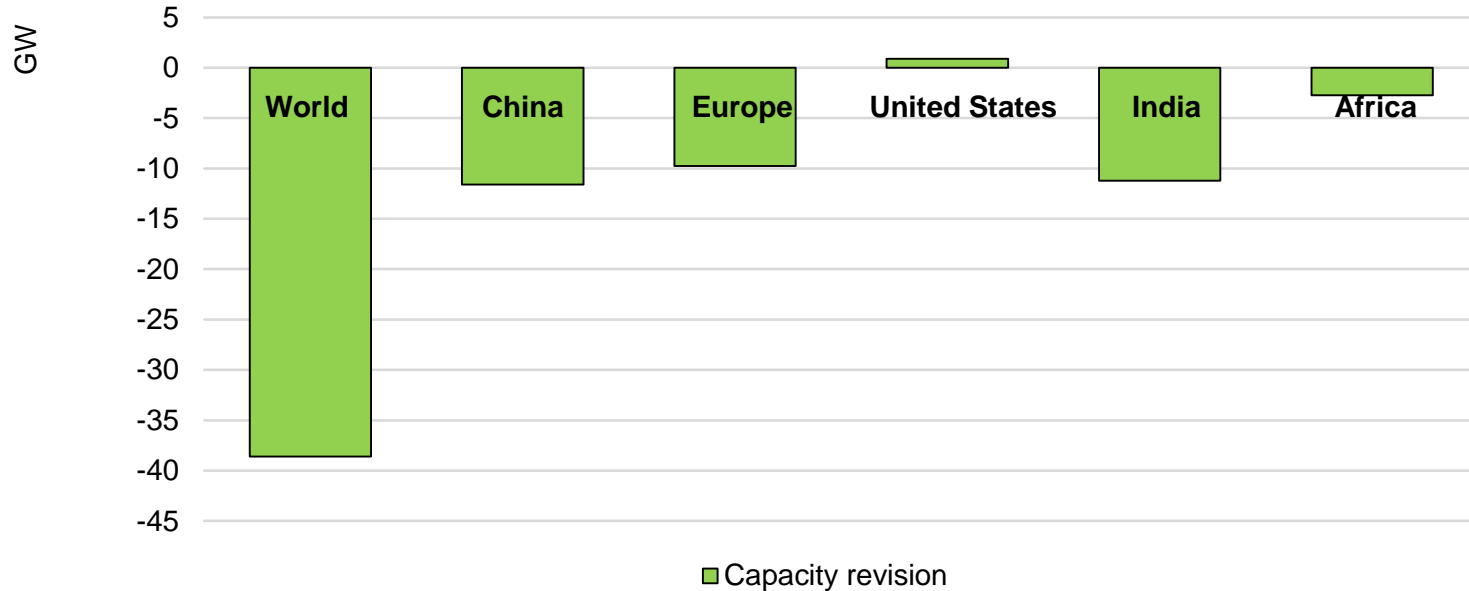
Rooftop solar PV suffers the heaviest blow



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

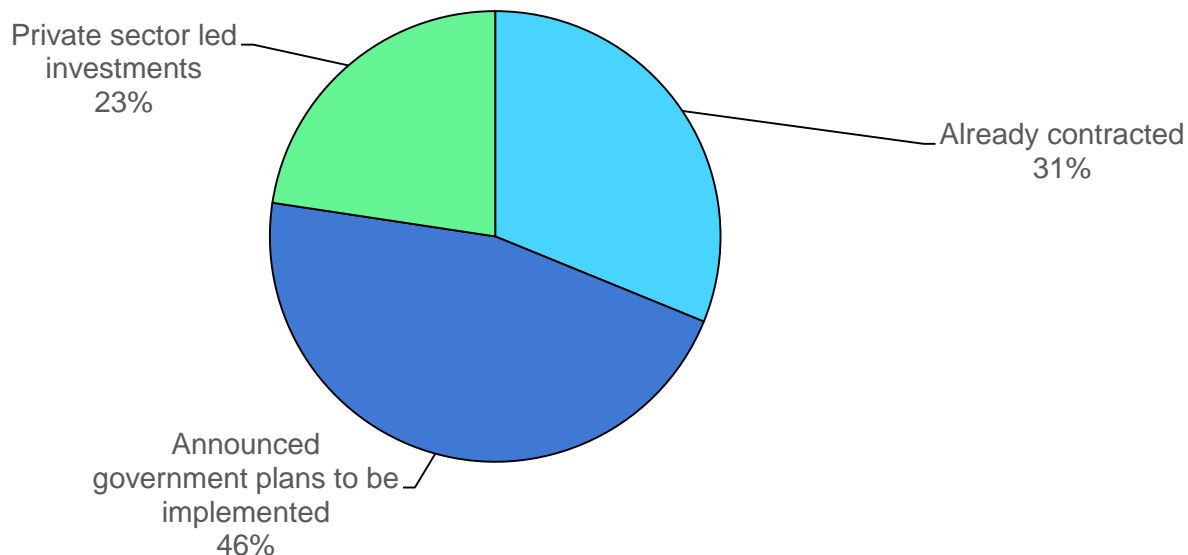
Renewable capacity additions revisions in 2020 and 2021



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

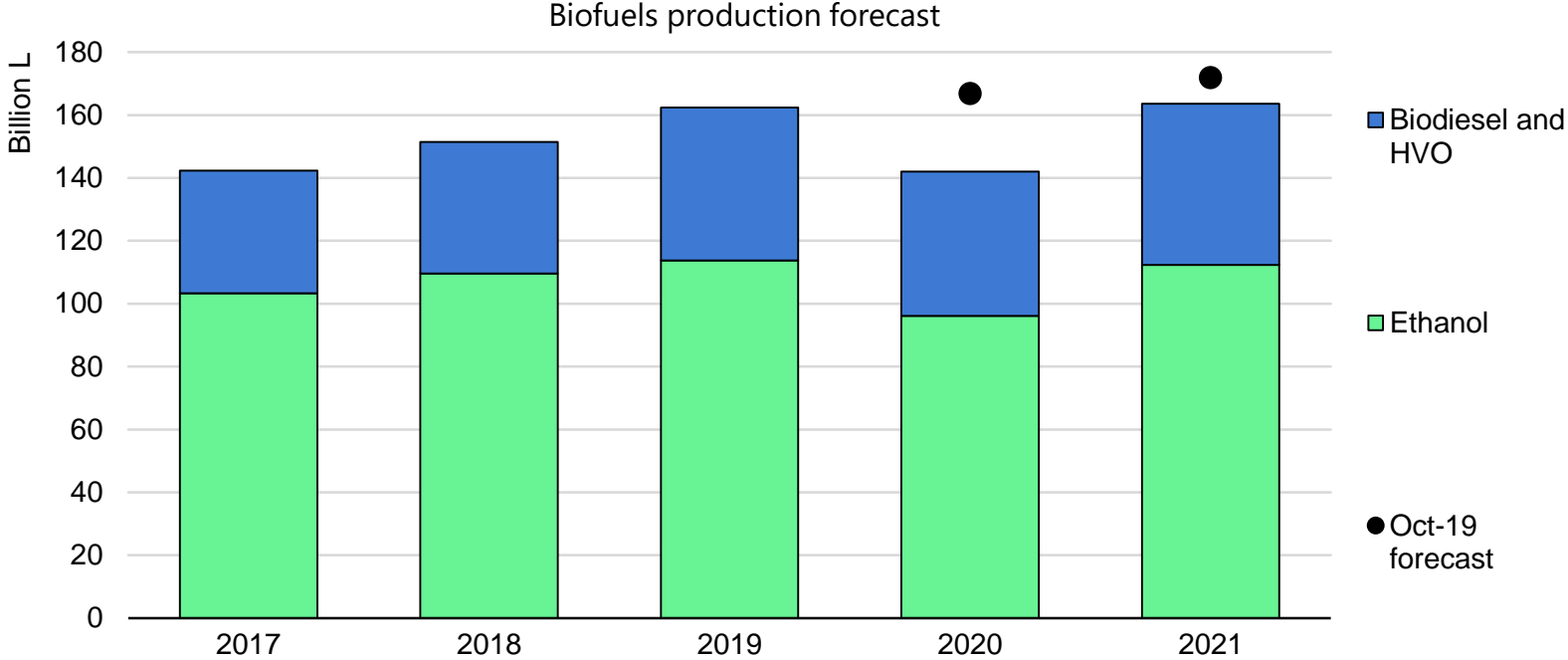
The future is uncertain, but the role of governments remains crucial

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

- 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