

## Medium-Term Renewable Energy Market Report Launch

### Opening Remarks

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Ladies and Gentlemen, welcome to the launch of the IEA's first Medium-Term Renewable Energy Market Report. I want to begin by saying that the release of this report shows not only how far we as an agency have come since our founding nearly four decades ago, but it also underscores the broader energy trends at work across the globe.

When the IEA was created in 1974, it was focused largely on oil supply disruption risks. Over the years, the IEA has devoted much effort to analysing fossil fuel market conditions in the short-, medium- and long-term. But renewable energy has seen a huge expansion in the last decade and is an increasingly important part of the global energy mix. Several years ago, the IEA recognised this shift when it created a Renewable Energy Division. And today, with the arrival of this report, renewable energy is taking its rightful seat at the table alongside the IEA's medium-term market reports for established fossil fuels like coal, gas and oil.

To put it simply, renewable energy has come of age.

That's the *historical context* for this report, but let me also share with you the role that I see renewable energy playing amid the immense challenges facing the global energy sector in the years ahead.

The world's energy system is being pushed to the breaking point as our addiction to fossil fuels grows stronger by the year. Achieving a more secure, sustainable energy system requires urgent action by the world's major governments, who until now have failed to put us on the path toward a clean-energy transformation. If this collective policy failure continues and nothing is done to bring greenhouse-gas emissions under control, we face potentially disastrous environmental and economic consequences.

As we explained in [Energy Technology Perspectives 2012 \(ETP 2012\)](#), which the IEA launched last month, technological solutions exist to reduce our dependence on fossil fuels and to reach the goal of limiting long-term global temperature increases to 2 degrees Celsius.

Renewable energy is among the most promising of these solutions. In fact, renewable energy is the source of the only real success stories at the moment. As the IEA pointed out in the progress report we presented in April at the Clean Energy Ministerial, solar PV – the panels installed by households and businesses – averaged 42% annual growth globally over the last decade, while onshore wind growth averaged 27% annually.

But renewable energy offers the potential for more than just making a positive impact on the environment. Renewables in many cases offer countries a chance to diversify their

energy supplies, thereby enhancing energy security. And renewables also can help foster economic growth.

When you look at the potential advantages offered by renewable energy, it is easy to understand why this book is so important.

The Medium-Term Renewable Energy Market Report provides a bottom-up, country-level forecast which analyses in detail the factors which will shape the growth of the sector over the next five years. It is a unique and key benchmark for both public and private decision makers, as it assesses the expected role of renewables in the context of national power systems, taking into account existing market and policy frameworks, and competing technologies.

I've mentioned some of the potential advantages of renewable energy, but there are also many challenges for the sector, including some uncertainties associated with a cautious macroeconomic outlook and the fact that several key markets are deliberating significant changes to renewable policies and deeper electricity market reforms. The cost and availability of renewable financing remains a persistent question mark. Moreover, some parts of the renewable industry are going through a period of upheaval, with supply chains restructuring and shifting geographically while delivering cost reductions.

Taking all this into consideration, our analysis indicates that the renewable electricity growth is expected to accelerate over the next five years, with global generation increasing by about 40% as technologies mature and deployment scales up and spreads out to new markets.

That's strong growth – more rapid than in the last five years, certainly – but if you compare it to the decarbonisation challenge facing the world's energy system, you see very quickly that renewable sources alone are not enough. We need a portfolio of solutions that include energy efficiency and other low-carbon energy options that today are lagging behind.

Now let me turn to Didier Houssin, who will provide more detail on the report's findings.