

TABLE OF CONTENTS

Foreword	3
Acknowledgements	4
Executive summary	15
Analytical framework	19
Renewable energy data present unique challenges	19
Country-level approach underpins the renewable electricity analysis	20
Outlooks for technology and investment guide the global picture	22
Biofuels for transport and renewable heat round out the analysis	22
References	24
1. Renewable electricity: Regional forecast	25
Highlights	25
Regional forecast overview	26
Medium-term forecast and long-term climate goals	30
Asia and Pacific	31
China	48
North America	54
Europe	66
Latin America	80
Middle East and North Africa	87
Sub-Saharan Africa	96
Eurasia	103
References	107
2. Renewable electricity: Technology forecast	111
Highlights	111
Technology deployment overview	112
Renewables costs and comparison with fossil fuels	114
Renewable power investment and financing trends	118
Hydropower	119
Onshore wind	127
Solar PV	134
Bioenergy for power	147
Offshore wind	160
Geothermal	166
Concentrating solar thermal power (CSP/STE)	169

Ocean.....	174
References.....	176
3. Renewable transport	182
Highlights.....	182
Conventional biofuels global overview	183
Conventional biofuels regional outlook	187
Advanced biofuels market developments.....	197
Impacts of low oil prices on conventional and advanced biofuels markets	204
References.....	209
4. Renewable heat.....	214
Highlights.....	214
Renewable energy use for heat: Market trends and outlook.....	215
Outlook for renewable heat technologies	224
Special focus: Renewable heat policies.....	245
References.....	261
5. Renewable electricity policy tables	267
6. Data tables.....	272
Glossary	275
Regional and country groupings.....	275
Abbreviations and acronyms.....	276
Currency codes.....	278
Units of measure	278

LIST OF FIGURES

Figure AF.1 The renewable policy journey and changing policy priorities	21
Figure 1.1 Global renewable electricity net additions to power capacity	26
Figure 1.2 Number of countries with non-hydro renewable capacity above 500 MW	27
Figure 1.3 Renewable capacity additions by key countries (left) and net forecast revision from <i>MTRMR 2015</i> (right).....	27
Figure 1.4 Electricity and renewable generation growth (2015-21)	29
Figure 1.5 Renewable power net additions to capacity under <i>accelerated</i> and <i>main cases</i>	30
Figure 1.6 Renewable electricity generation by country indexed to modelled INDC target in 2030 ..	31
Figure 1.7 Asia and Pacific net renewable capacity additions by technology and country (2015-21)	34
Figure 1.8 Korea's cumulative renewable capacity and generation, (2013-21) (excluding hydropower).....	35
Figure 1.9 Asia and Pacific electricity generation by source and share of renewables in 2015 and 2021..	36
Figure 1.10 Asia and Pacific renewable capacity additions (2015-21), main versus accelerated case	38
Figure 1.11 China net capacity additions to power capacity (2009-15).....	48
Figure 1.12 China's electricity demand growth (2000-15).....	50

Figure 1.13	China net renewable power capacity additions and renewable energy surcharge.....	51
Figure 1.14	China net renewable capacity additions and generation (2014-21).....	53
Figure 1.15	North America net renewable capacity additions by technology and country (2015-21)	56
Figure 1.16	North America electricity generation by source and share of renewables in 2015 and 2021	56
Figure 1.17	North America renewable capacity additions (2015-21), main versus accelerated case.	59
Figure 1.18	Europe net renewable capacity additions by technology and country (2015-21).....	69
Figure 1.19	Selected countries electricity generation by fuel and share of renewables in 2015 and 2021	73
Figure 1.20	Europe and selected countries renewable capacity additions (2015-21), main versus accelerated case	74
Figure 1.21	Latin America net renewable capacity additions by technology and country (2015-21)	81
Figure 1.22	Brazil renewable capacity additions and generation (2015-21)	82
Figure 1.23	Latin America electricity generation by source and share of renewables in 2015 and 2021	83
Figure 1.24	Latin America renewable capacity additions (2015-21), main versus accelerated case...	87
Figure 1.25	MENA net renewable capacity additions by technology and country (2015-21)	89
Figure 1.26	MENA renewable electricity generation by source in 2015 and 2021.....	91
Figure 1.27	MENA renewable capacity additions (2015-21), main versus accelerated case.....	95
Figure 1.28	SSA net renewable capacity additions by technology and country (2015-21)	98
Figure 1.29	SSA renewable electricity generation in 2015 and 2021	99
Figure 1.30	SSA renewable capacity additions (2015-21), main versus accelerated case.....	102
Figure 1.31	Eurasia net renewable capacity additions by technology and country (2015-21).....	105
Figure 2.1	Indexed electricity generation by source (2001-21)	112
Figure 2.2	Renewable net additions to capacity by technology (2001-21).....	113
Figure 2.3	Renewable electricity generation by technology, (2008-21)	113
Figure 2.4	Global weighted average LCOEs for new grid-connected projects.....	115
Figure 2.5	Recent announced long-term remuneration contract prices for renewable power by date of announcement and to be commissioned over 2016-21	116
Figure 2.6	LCOE of gas-fired generation at January 2016 gas prices versus onshore wind benchmark costs.....	117
Figure 2.7	Renewable power capacity asset financing (2009-16).....	118
Figure 2.8	Hydropower annual change in generation by region (TWh).....	123
Figure 2.9	Hydropower annual net additions (left) and cumulative additions to capacity (right)	124
Figure 2.10	Global wind turbine manufacturing capacity by company	128
Figure 2.11	Onshore wind generation cost variables and LCOE ranges.....	129
Figure 2.12	US onshore wind capacity factor, wind resource and turbine swept area by year	130
Figure 2.13	Historical and forecast LCOEs for typical onshore systems, beginning year.....	131
Figure 2.14	Onshore wind cumulative net capacity additions and generation (1997-2021)	132
Figure 2.15	Onshore wind annual additions by region under accelerated and main cases	134
Figure 2.16	Solar PV total manufacturing capacity and shipments (left) and manufacturing capacity by country/region (2010-15)	135
Figure 2.17	Typical solar PV average system prices for commissioned projects (2014-15)	135
Figure 2.18	Historical and forecast typical solar PV investment costs, average for new capacity	137
Figure 2.19	Historical and forecast LCOE range for typical utility-scale solar PV plants.....	137

Figure 2.20 Historical and forecast LCOEs for typical commercial- and residential-scale solar PV plants	139
Figure 2.21 Solar PV capacity and deployment by market segment	142
Figure 2.22 Solar PV annual capacity additions, historical and forecast by region (GW)	143
Figure 2.23 Rooftop penetration rates per household in Australia with international comparison .	144
Figure 2.24 Solar PV capacity additions over 2015-21 for selected markets.....	147
Figure 2.25 Bioenergy power generation, historical and forecast, by region (2007-21).....	149
Figure 2.26 Bioenergy capacity breakdown in China (2011-15) (left) and capacity and number of facilities for selected states in the United States in 2015 (right)	150
Figure 2.27 Example LCOE values for bioenergy technologies at 70% and 35% load factors.....	156
Figure 2.28 Wood pellet exports from the United States (left) and Korean imports (right), (2012-15)	158
Figure 2.29 Offshore wind breakdown of total investment costs and LCOE ranges	162
Figure 2.30 Offshore wind annual additions and generation forecast by region	165
Figure 2.31 Geothermal capacity segmentation per technology (GW)	166
Figure 2.32 Annual additions of CSP installed capacity with or without storage and average corresponding battery size (in hours), historical and forecast	170
Figure 3.1 World conventional biofuel production, (2009-21)	183
Figure 3.2 Conventional biofuel production growth comparison, (2009-15 and 2015-21), selected countries and regions	184
Figure 3.3 US ethanol exports, 2011-15 (left), and E85 blend market overview (right).....	187
Figure 3.4 Selected Latin American countries biodiesel production, (2009-21) (left), and hydrous ethanol and gasoline retail prices compared with hydrous ethanol consumption in Brazil, (2014-15) (right).....	189
Figure 3.5 EU28 ethanol production, (2009-21) (left), and biodiesel production, (2009-21) (right).	191
Figure 3.6 Ethanol (left) and biodiesel (right) production in selected Asian countries	193
Figure 3.7 Credits generated by fuel within California’s LCFS, (2011-15) (left), and fuel CI requirements of legislation in California, Germany and British Columbia	197
Figure 3.8 Advanced biofuels production forecast, (2015-21)	199
Figure 3.9 Cellulosic ethanol cost reduction potential	200
Figure 3.10 Evolution of the global electric car stock, (2010-15)	207
Figure 3.11 Deployment scenarios for the stock of electric cars to 2030.....	209
Figure 4.1 Total global energy consumption for heat, (2014)	215
Figure 4.2 Global final renewable heat consumption (excluding traditional biomass), (2007-21) ...	217
Figure 4.3 Final energy consumption for heat by country/region, (2014).....	219
Figure 4.4 Final consumption of renewables for heat by country/region, (2014-21)	220
Figure 4.5 Residential heating oil price compared with biomass and heating oil system installations in Germany (2008-15, indexed)	222
Figure 4.6 Residential heating fuel costs, (2013-15), in Austria (left) and the United States (right).	225
Figure 4.7 Solar thermal heat production costs in the buildings sector	232
Figure 4.8 Annual market growth in 2015, net and gross additions.....	233
Figure 4.9 Annual market growth in 2015 relative to 2014 and share in global additions.....	234
Figure 4.10 Geothermal direct use by country, (2014)	239
Figure 4.11 Average operational costs of domestic heat pump installations based on their SPF compared with electricity and natural gas prices in the European Union	243

Figure 4.12 Cumulative installations by type of heat pump for selected European countries, (2015).....	244
Figure 4.13 Domestic RHI accredited installations by technology, (2014-16)	256
Figure 4.14 Share of renewable energy in heating and cooling (2014) and percentage increase in renewable energy heating and cooling (2010-14) for selected EU28 countries	258
Figure 4.15 Heating degree days, 2014, renewable heating and cooling share, 2014, and average gas import dependency for selected EU28 countries (2010-14)	260

LIST OF DASHBOARD FIGURES

Figure D.1 Japan annual net additions to renewable capacity (2014-21).....	40
Figure D.2 Solar PV FIT-certificated versus non-operating solar PV capacity	40
Figure D.3 Japan commercial and utility-scale solar PV LCOEs vs FIT and end-user prices	40
Figure D.4 India net additions to renewable capacity (2014-21).....	42
Figure D.5 Weighted average PPA bid prices in solar PV auctions, state and JNNSM, (2010-16)	42
Figure D.6 Historical and forecasted wind capacity additions with AD incentive	42
Figure D.7 ASEAN annual net additions to renewable capacity by select country (excluding hydropower)	44
Figure D.10 Annual electricity generation growth by country over 2015-21	44
Figure D.11 ASEAN hydropower additions and electricity demand (historical and forecast).....	44
Figure D.12 ASEAN historical renewable capacity additions and TPES and total final consumption patterns.....	46
Figure D.13 US annual net additions to renewable capacity by technology (2014-21).....	60
Figure D.14 CPP mass-based goal calculation and % of renewables in selected states	60
Figure D.15 US share of RPS demand in total non-hydropower renewable generation	60
Figure D.16 US RPS generation growth (2015-21)	60
Figure D.17 PTC and ITC extension and annual additions for wind and solar PV	62
Figure D.18 US solar PV annual net additions by segment	62
Figure D.19 US solar PV cumulative capacity by segment	62
Figure D.20 Mexico annual net additions to renewable capacity by technology (2014-21)	64
Figure D.21 Mexico clean energy target	64
Figure D.22 Mexico first energy auction	64
Figure D.23 Germany annual net additions to renewable capacity (2014-21).....	76
Figure D.24 Utility-scale solar PV auction results	76
Figure D.25 Solar PV deployment by segment.....	76
Figure D.26 UK annual net additions to renewable capacity (2014-21)	78
Figure D.27 UK coal capacity reductions compared with VRE capacity additions (2011-16)	78

LIST OF TABLES

Table AF.1 Economic and technical lifetime assumptions in MTRMR 2016 (years)	22
Table AF.2 Central assumptions for global LCOE ranges by technology	23
Table 1.1 Asia and Pacific net renewable capacity additions and % in generation in 2014 and 2015.....	32
Table 1.2 Asia and Pacific cumulative renewable energy capacity in 2015 and 2021	36
Table 1.3 Asia and Pacific main drivers and challenges to renewable energy deployment	37

Table 1.4	China renewable energy targets and achievements under the 12th FYP and proposed targets under the 13th FYP	51
Table 1.5	China main drivers and challenges to renewable energy deployment	52
Table 1.6	China renewable electricity capacity projection (GW), main and accelerated case	54
Table 1.7	North America net renewable capacity additions and % in generation in 2014 and 2015	57
Table 1.8	North America cumulative renewable energy capacity in 2015 and 2021	58
Table 1.9	Europe selected countries net renewable capacity additions and % renewable electricity generation in 2014 and 2015	66
Table 1.10	Europe main drivers and challenges to renewable energy deployment	71
Table 1.11	Europe, selected countries cumulative renewable energy capacity in 2015 and 2021	73
Table 1.12	Latin America net renewable capacity additions and % in generation (2014 and 2015)	80
Table 1.13	Latin America cumulative renewable energy capacity in 2015 and 2021	84
Table 1.14	Latin America main drivers and challenges to renewable energy deployment	85
Table 1.15	MENA net renewable capacity additions and % in generation (2014 and 2015)	87
Table 1.16	MENA, selected countries' cumulative renewable energy capacity in 2015 and 2021	92
Table 1.17	MENA main drivers and challenges to renewable energy deployment	93
Table 1.18	Sub-Saharan Africa net capacity additions and % in generation in 2014 and 2015	96
Table 1.19	SSA cumulative renewable energy capacity in 2015 and 2021	100
Table 1.20	SSA main drivers and challenges to renewable energy deployment	101
Table 1.21	Eurasia net renewable capacity and % in generation (2014 and 2015)	103
Table 1.22	Eurasia countries INDC submissions with renewable energy RE targets and national targets	104
Table 1.23	Eurasia cumulative renewable energy capacity in 2015 and 2021	106
Table 1.24	Eurasia main drivers and challenges to renewable energy deployment	106
Table 2.1	World renewable electricity capacity and forecast, main and accelerated cases (GW)	114
Table 2.2	Hydropower capacity and forecast by region (GW)	122
Table 2.3	Onshore wind capacity and forecast by region (GW)	132
Table 2.4	Solar PV cumulative capacity forecast by region (GW)	140
Table 2.5	Reference global investment cost and LCOE ranges for bioenergy power technologies ..	148
Table 2.6	Bioenergy capacity forecast by region (GW)	151
Table 2.7	Phase-out of coal capacity in selected EU28 countries	152
Table 2.8	Offshore wind power capacity and forecast by region (GW)	164
Table 2.9	Geothermal capacity (GW) in selected countries and its contribution to renewable power generation in 2015 and 2021	168
Table 2.10	CSP capacity and forecast by selected countries (GW)	172
Table 2.11	Ocean capacity in selected countries and forecast by region (GW)	175
Table 3.1	World conventional biofuels production, (2015-21)	185
Table 3.2	Mandates, targets and support policies for biofuels in selected countries	186
Table 3.3	Assessment of low oil price impacts on the biofuels industry	206
Table 4.1	Global trends and outlook for renewable heat	218
Table 4.2	Biomass heating market expansion drivers and challenges	224
Table 4.3	Solar thermal heating drivers and challenges	231
Table 4.4	Geothermal heating drivers and challenges	238
Table 4.5	Residential GSHP market expansion drivers and challenges	242
Table 4.6	Economic barriers and policy solutions for renewable heat	246
Table 4.7	Non-economic barriers and policy solutions for renewable heat	248

Table 4.8	Heat policy instruments in selected countries	249
Table 4.9	Deployment supported under the Marktanzreiz programme: residential and commercial sector installations	254
Table 4.10	Key RHI statistics to end of August 2016.....	255
Table 4.11	Percentage of total renewable consumption across all sectors used within heating and cooling (2014) for countries that have already achieved NREAP targets	257
Table 4.12	Measures of district heating, co-generation and selected industries for selected EU28 countries.....	260
Table 5.1	Asia and Pacific	267
Table 5.2	Europe	268
Table 5.3	North America	269
Table 5.4	Latin America	269
Table 5.5	Middle East and North Africa (MENA).....	270
Table 5.6	Eurasia	270
Table 5.7	Sub-Saharan Africa	271
Table 6.1	Ethanol production (billion litres)	272
Table 6.2	Biodiesel production (billion litres)	272
Table 6.3	Total renewable electricity capacity (GW)	273
Table 6.4	Total renewable electricity generation (TWh)	274

LIST OF DASHBOARDS TABLES

Table D.1	Japan renewable power capacity (GW)	40
Table D.2	India renewable power capacity (GW)	42
Table D.3	RE goals and solar PV and wind targets of selected ASEAN countries	46
Table D.4	ASEAN leading countries in renewable energy capacity (GW)	46
Table D.5	US renewable power capacity	62
Table D.6	Mexico renewable power capacity	64
Table D.7	Germany renewable capacity (GW).....	76
Table D.8	UK renewable power capacity (GW).....	78

LIST OF BOXES

Box 1.1	Renewable electricity prospects in Singapore	33
Box 1.2	Recent climate policy developments in Alberta	58
Box 2.1	Understanding wind energy capacity factor improvements, focus on the United States ..	129
Box 2.2	Battery storage and distributed solar PV.....	139
Box 2.3	Rooftop solar PV in Australia	143
Box 2.4	Flexible bioenergy plants in high VRE systems	155
Box 2.5	Biorefinery market developments.....	159
Box 3.1	HVO poised to play an expanding role in transport decarbonisation	196
Box 3.2	Aviation biofuels – ready for take-off during the medium term?	202
Box 3.3	An update on market, technology and policy developments for EVs	207
Box 4.1	Traditional biomass use still meets a large share of heat demand in the developing world	216
Box 4.2	The world's largest solar process heat plant: EOR in Oman.....	235

Box 4.3 Geothermal and Munich’s district heating system..... 240
Box 4.4 Innovative approaches in GSHP utilisation 242
Box 4.5 Renewable heat and energy efficiency – integrated solutions 250

LIST OF MAPS

Map 3.1 Global aviation biofuel developments over 2015-16 203