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Investment in renewables was double that of coal and gas in 2015



Wind power is picking up
Feng Li/Getty

A record amount of \$286 billion was invested in renewables globally last year.

In 2015, more than twice as much went into new capacity to generate electricity with renewables like solar and wind than into power stations burning fossil fuels, according to [a study](#) by the Frankfurt School of Finance and Management for the UN Environment Programme.

“Renewables are becoming ever more central to our low-carbon lifestyles,” said UNEP director Achim Steiner.

Over the past decade, cheaper solar panels and wind turbines have cut the cost of renewable electricity – in some places by up to 80 per cent. Now, green energy is often no more expensive than fossil fuels.

And it is no longer chiefly the preserve of developed countries either. Last year developing countries invested \$156 billion in renewables, which for the first time exceeded the \$130 billion investment made by high-income countries.

Developing world takes the lead

[China led the way](#). In its efforts to fight smog, it is mothballing coal plants and replacing them with some of the world’s largest solar and wind farms. China was responsible for two-thirds of the renewables investment in the developing world last year, and 36 per cent of the global total.

“China is the biggest investor right now, but increases in other countries are also strong,” Moslener says.

India increased its investment in renewables by 22 per cent last year, to \$10 billion. Brazil, South Africa, Mexico, Chile, Morocco, Turkey and Uruguay each stumped up more than a billion dollars.

But while the US upped its investment by 19 per cent, the picture was different in Europe. Once a trailblazer in this area, the continent’s investment in renewables fell by 21 per cent in 2015, to less than half as much as China.

Keeping carbon at bay

The good news is that the trillions spent are starting to have an impact on climate change. The International Energy Agency earlier this month identified the growth of renewables as the main reason why [global CO₂ emissions from energy have been unchanged](#) for two years, despite 6-per-cent economic growth.

The growth of renewables is in part because power companies have invested more than \$2 trillion in harvesting green energy over the past 12 years (and these figures exclude large hydroelectric dams).

Without that investment, annual carbon dioxide emissions would be higher by about 1.5 billion tonnes, or almost 5 per cent, says [Ulf Moslener](#), of the Frankfurt School and co-author of the report.

The boost could be short-lived, however. Current low prices for fossil fuels could trigger a coal comeback, the IEA’s [director Fatih Birol warned](#).

But this may be counteracted by pledges made at the Paris climate summit in December, which should mean that coal is on the way out.

“Of course low prices make coal more attractive in the short term, but I would not expect a large impact,” says Moslener.

Even so, there is a long way to go. Decades of investment in fossil fuel plants means that, despite the recent green surge, only 16 per cent of current electricity generating

capacity is renewable. And, because renewables only deliver power when nature cooperates, their contribution to total generated electricity is just over 10 per cent.