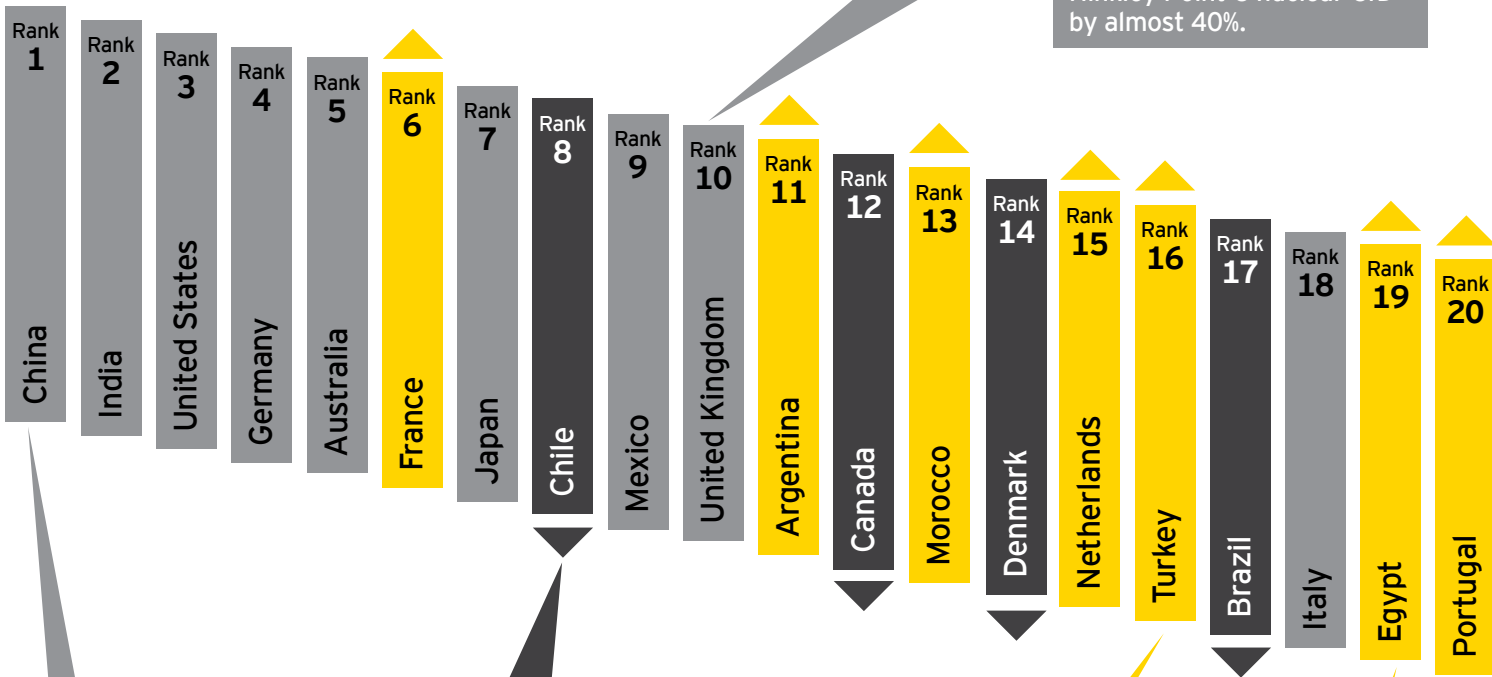


# recai

October 2017



The second contract for difference (CfD) auction awarded over 3GW offshore wind at the historically low price of £57.50/MWh (US\$77.9/MWh) delivered in 2022-23, undercutting 2015 prices by half and Hinkley Point C nuclear CfD by almost 40%.

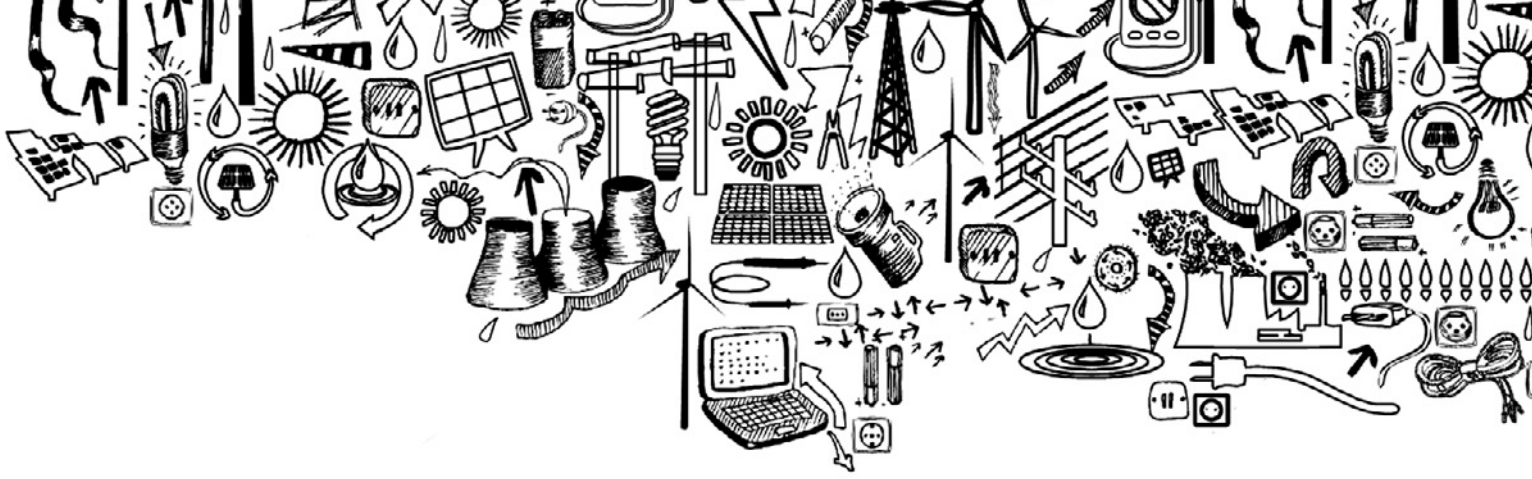
PV capacity rose 21GW over the past six months while wind curtailment fell 7% over a year. New targets have set to cancel or defer 106GW of coal power, while Beijing mulls the deadline for a future ban on internal combustion engine sales.

A decline in new investment in renewables this year due to grid overcapacity. However, a north-south link due in late 2017 should help settle the market.

Latest tender awarded 1GW to onshore wind at 50% below the ceiling price, drawing international interest from major manufacturers. PV grew three-fold in a year to 1.5GW.

Feed-in tariff (FIT) system has resulted in 1GW PV under construction, with more projected for next year under a potential auction program.

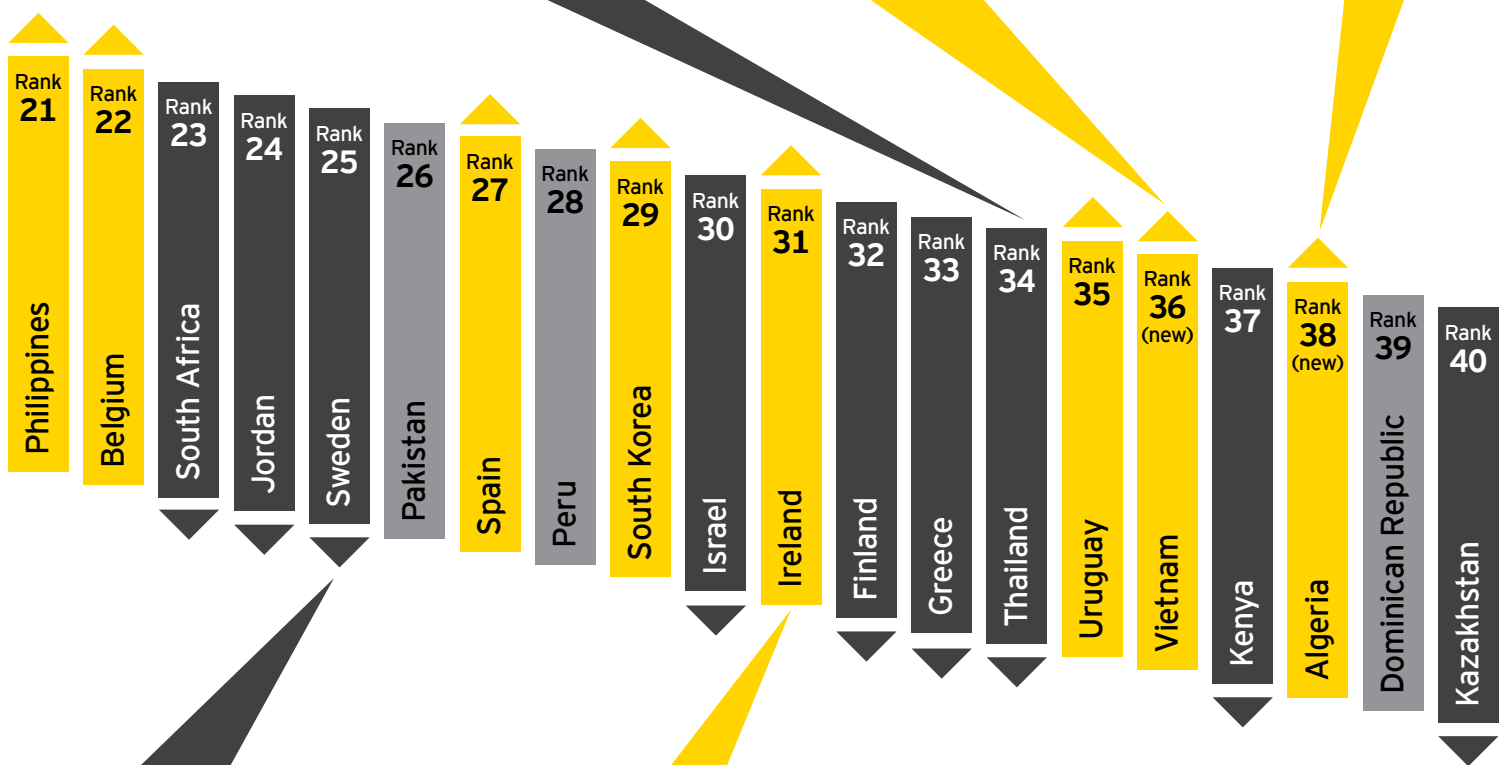




FIT rates are set to be lowered in the next round of projects tendered in 2018, alongside a comprehensive review of the bidding system.

With an increase in pricing for onshore wind alongside an ambitious new solar policy and FIT, renewables are increasingly seen as a means to reducing coal use and achieving energy independence.

Despite recent challenges and delays, Algeria continues to seek to rival other North African countries in solar PV production with a 4GW solar tender.



Low power prices and returns have weighed on recent deal activity. The Government has put in place a US\$829m investment program to achieve Sweden's zero emissions goal by 2040.

Solar power will be included in Ireland's new CfD auction to replace the Renewable Energy Feed-in Tariff (REFIT), alongside support for new technologies such as storage.

### Methodology

The Index was recalibrated in early 2017, with all underlying datasets fully refreshed. To see a description of our methodology, please go to [ey.com/recai](http://ey.com/recai).

### Legend

- ▲ Increased attractiveness compared with previous index
- ▼ Decreased attractiveness compared with previous index

