

Renewable energies in crisis?

Press Release

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Industrialization of emerging economies, continuing population growth and increasing environmental awareness are mega-trends that should sustainably increase the use of renewable energy sources in electricity generation. However, the growth of alternative technologies is stalling, and many companies are questioning whether it is still worth their while to maintain a focus on these markets.

The development and dissemination of technologies for use of renewable energies have been vigorously promoted in recent decades. Thanks to government support, the manufacturers of wind turbines, photovoltaic modules and biogas plants have experienced a remarkable boom. But with regard to their costs these technologies are clearly inferior to those of conventional electricity generation.

**Costs of electricity generation in Germany
in 2010 in ct/kWh**

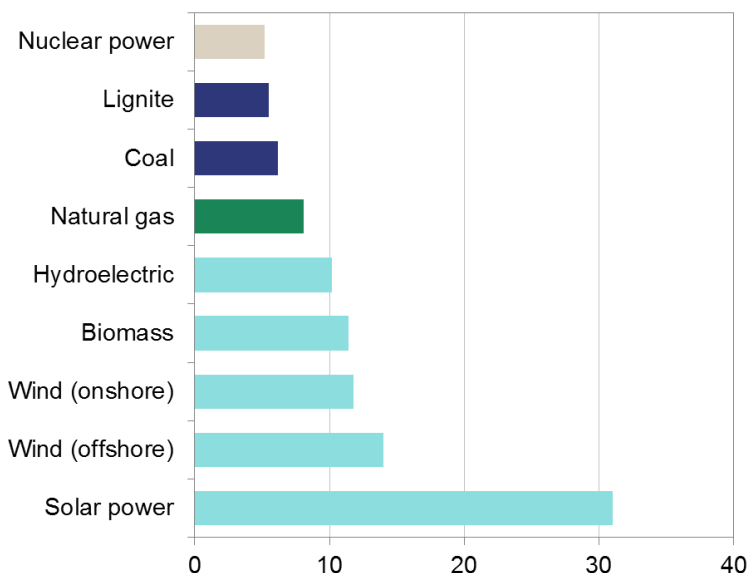
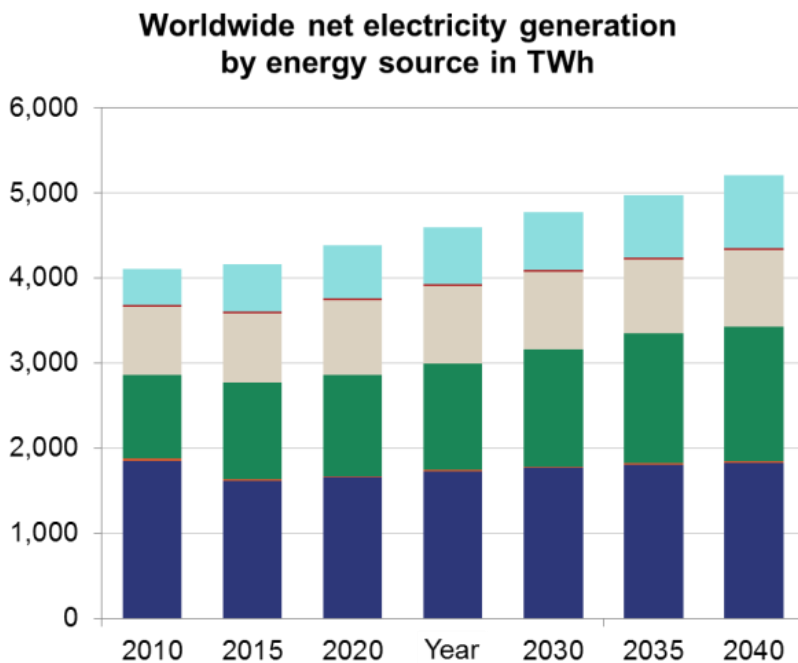


Figure 1: Comparison of electricity prices by energy source

Unresolved issues such as energy transport and storage prove to be technology bottlenecks. However, not only these but also innovations in the production of conventional energy sources, above all fracking, are bringing the previous market growth to a halt. The U.S. Energy Information Administration estimates that the share of electricity generated from renewable energy sources will increase only slightly worldwide until the year 2035. However, the immense rise in global energy demand is expected to ensure that the absolute increase in energy from renewable sources remains considerable.



Energy source and CAGR 2010-2040:

■ Coal	0.0%	■ Petroleum	-2.3%
■ Natural Gas	1.6%	■ Nuclear Power	0.4%
■ Other non-renewables	0.2%	■ Renewable Sources	2.3%

Figure 2: Global electricity production until 2040 by energy source including growth rates

Despite the known risks, sales opportunities nevertheless exist in the market for renewable energies:

In general, there is considerable potential in technologies aiming to solve the current problems of the industry, e.g. the development of large-capacity, long-term energy storage devices allowing the necessary “peak shaving”.

Moreover, it is important to look beyond Europe or just Germany, and to focus attention on the key growth regions, especially China and North America.

With all the focus on the market for renewable energies, conventional fossil fuel technologies should not be neglected. Successful companies will not limit their activities to the renewable energy industry, but consider them as complementary to their involvement in the field of conventional energy generation.

If you have any questions please do not hesitate to contact:

Ms. Ursula Hosselmann, +49 6201 9915 42,
ursula.hosselmann@schlegelundpartner.de

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