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<http://www.greentechmedia.com/articles/read/renewable-energy-investment-falls-again-in-2013>

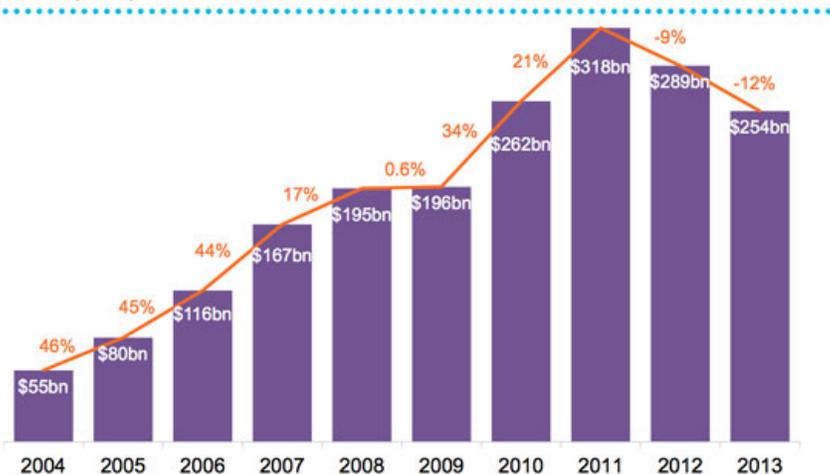
What's Behind the 2013 Decline in Renewable Energy Investment?

“The top-line figures don't tell the whole story.”

Global investment in renewable energy and clean energy technologies has dropped for the second year in a row, according to Bloomberg New Energy Finance.

Investment figures came to \$254 billion in 2013, a 12 percent drop from 2012. The record high for renewable energy financing came in 2011 at nearly \$318 billion, according to BNEF. Declines in Europe dragged down the whole market, but there are some bright spots.

NEW INVESTMENT IN CLEAN ENERGY 2004–13 (\$BN)



Note: Total values include estimates for undisclosed deals. Includes corporate and government R&D, and spending for digital energy and energy storage projects (not reported in quarterly statistics).

Source: Bloomberg New Energy Finance

“A second successive year of decline in investment will come as unwelcome news to the clean energy sector,” Michael Liebreich, founder and chairman of the advisory board for BNEF, said in a statement. “But the top-line figures don't tell the whole story.”

There's actually a silver lining in the numbers. Part of the decline was caused by the improving economics of solar and wind, said Liebreich. But advocacy

groups estimate that annual investments must increase to \$500 billion by the end of the decade -- and eventually \$1 trillion annually by 2030 -- in order to stabilize global temperatures.

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Clean energy technologies that include smart grid, storage, electric vehicles and efficiency were one of the only sectors that saw a slight increase to about \$35 billion in 2013. Wind was down, but only by about \$500 million, while solar dropped to \$115 billion from \$143 billion. Biofuels also decreased in the past year.

Government investment was down, but public market investment market bounced back to \$13 billion after 2012's \$4.8 billion investment, the lowest since 2004. Tesla, New Zealand's Might River Power and SunEdison led the investment increase. Venture capital and private equity, on the other hand, continued to fall to the lowest levels since 2005. The WilderHill New Energy Global Innovation Index, or NEX, which tracks the performance of 102 clean energy stocks worldwide, also rose by more than 50 percent last year. This month, the NEX hit its highest level since summer 2011.

“Indeed, 2014 has started in the same vein with the spectacular acquisition of Nest by Google for \$3.2B,” added Liebreich.