

Excerpt from North American Windpower, October 17, 2011  
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## **Boosted By Offshore Wind, Renewable Energy Asset Finance Breaks Record In Q3**

Asset finance of utility-scale renewable energy projects, such as wind farms and solar projects, jumped to a record \$41.8 billion in the third quarter (Q3), according to the latest research from Bloomberg New Energy Finance.

Notably, Q3 asset finance numbers included investments secured for three large offshore wind farms in the North Sea, totaling more than 1GW in capacity and \$6.3 billion in investment. The biggest asset finance deals of the quarter were the \$2.7 billion financing of the Global Tech 1 offshore wind farm, off the coast of Germany, and the \$1.8 billion financing of the Djursland Anholt offshore wind project, off of Denmark.

There were also big financings for onshore wind projects in Brazil and China; photovoltaic, solar thermal and biofuel projects in the U.S.; and a geothermal installation in Indonesia.

"Over the past three years, we have seen extraordinary falls in the prices of clean energy equipment - wind turbines and solar photovoltaic panels," notes Michael Liebreich, CEO of Bloomberg New Energy Finance. "As these figures show, this has driven up installation rates and asset investment levels."

Overall financial new investment in clean energy - including not just asset finance, but also equity raisings on public markets and from venture capital and private equity funds - was \$45.4 billion in Q3 - up 9% from Q2 and 16% ahead of Q3 2010. The record quarter for financial new investment remains Q4 2010, at \$51.5 billion.

The robust investment in Q3 contrasted vividly with the performance of clean energy share prices, which fell by some 35% during the quarter, based on the performance of the WilderHill New Energy Global Innovation Index, an index made up of 95 clean energy stocks worldwide.

"There is still not enough demand to soak up significant oversupply, so prices and margins have remained under pressure, and manufacturers' share prices are being crushed," Liebreich notes. "The industry has swung between being a buyer's market and a seller's market a few times in recent years. Right now, you would love to be a developer with access to funding, but not a supplier. Eventually, things will come back into balance."

Analysis by Bloomberg New Energy Finance, based on actual contract data, shows that the average price of PV modules has fallen by a third since autumn 2010, and by 70% since the middle of 2008, while wind turbine prices have fallen by 20% since 2009. These moves have made renewable energy technologies much more cost-competitive with fossil-fuel power sources, but have been painful for the supply chains, the research shows.

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