

RENEWABLE ENERGY COSTS FALLING SHARPLY

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The cost of electricity generation from solar photovoltaic systems has fallen by 73 percent since 2010 and will decline further by half by 2020, according to the International Renewable Energy Agency (Irena).

The Abu Dhabi-based Irena said in a statement that the cost of electricity from onshore wind power projects had also gone down by 25 percent since 2010.

"The best onshore wind and solar PV projects could be delivering electricity for an equivalent of (\$0.03) per kilowatt-hour [about P1.50 a kWh] or less within the next two years," said the agency, which counts the Philippines among its members.

Currently, the new benchmark price for solar power was observed in Abu Dhabi, Chile, Dubai, Mexico, Peru and Saudi Arabia.

In the Philippines, power from solar panels so far carries a generation charge of as low as P2.99 a kWh through the Solar Philippines group.

In a report released during Irena's assembly held in Abu Dhabi last week, the agency said that by 2020, all currently commercialized renewable power

generation technologies would be competing with—and even undercutting—fossil fuels by generating in the range \$0.03 to \$0.10 a kWh.

In comparison, the cost of power generated from fossil fuel ranges from \$0.05 to \$0.17 a kWh.

"This new dynamic signals a significant shift in the energy paradigm," Irena director general Adnan Z. Amin said in a statement. "These cost declines across technologies are unprecedented and representative of the degree to which renewable energy is disrupting the global energy system."

He said competitive procurement practices—along with the emergence of a large base of experienced medium-to-large project developers competing for global market opportunities—were driving down the cost of renewable energy.

"Turning to renewables for new power generation is not simply an environmentally conscious decision, it is now—overwhelmingly—a smart economic one," Amin said.

"We expect the transition to gather further momentum, supporting jobs, growth, improved health, national resilience and climate mitigation around the world in 2018 and beyond," he said. INQ

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