



RENEWABLE ENERGY SOLUTIONS
FOR THE MEDITERRANEAN

The transition towards clean energy and the role of RES4MEDI

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Record Breaking Investments



Record breaking investments

Clean Energy Investments 2004-2015



Source: Bloomberg new Energy Finance

Key facts

Key evidence of the sector

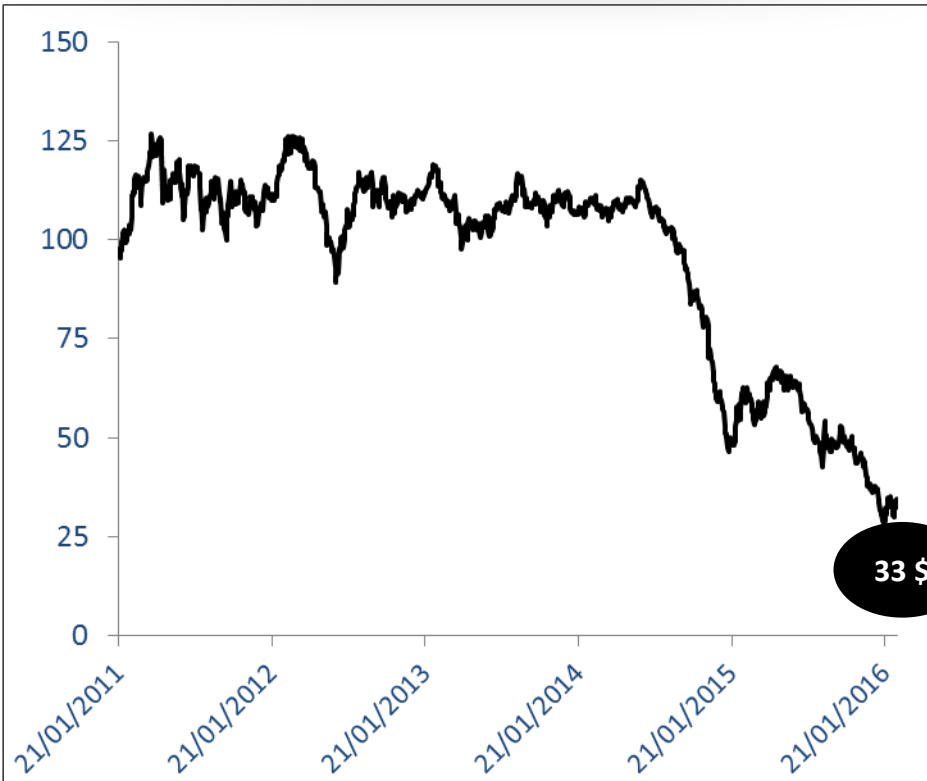
- After the 2015 record in clean energy investments (US\$ 329 billion) **2016 is expected to be another record year** with a surge in investments dragged by new countries (comprising Morocco) **with further strong growth in China and US vs. continued gloom in Europe**
- An additional growth is also expected thanks to the **commitments made by states at COP21 in Paris**

Fossil Fuel Prices are Plummeting



Fossil fuel prices are plummeting

Crude Oil Brent Price



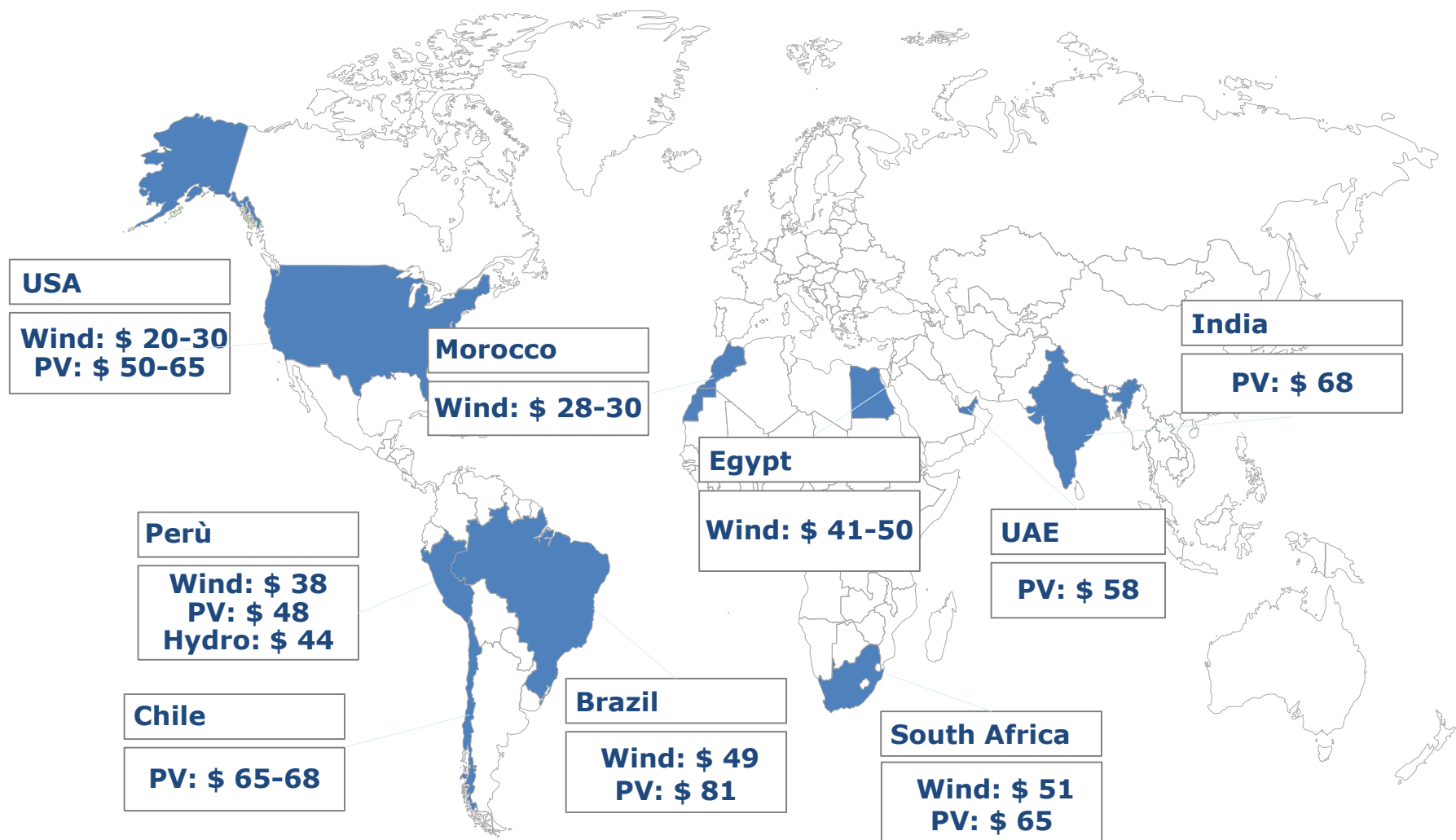
Source: Bloomberg new Energy Finance

Key facts

Key evidence of the sector

- In 2015 oil prices plummeted driven by **overproduction and uncoordinated policies within OPEC**
- The plunge in the oil price of the last 15 months has generally reinforced the idea that **fossil fuels carry high volatility costs**
- **No correlation between fossil fuel price and renewable investments** is the good news for the sector
- In our experience, **the more fossil fuels experience volatility and disruptions the more countries point at renewables as their preferred source of energy**

Fossil fuel prices are not affecting RES competitiveness



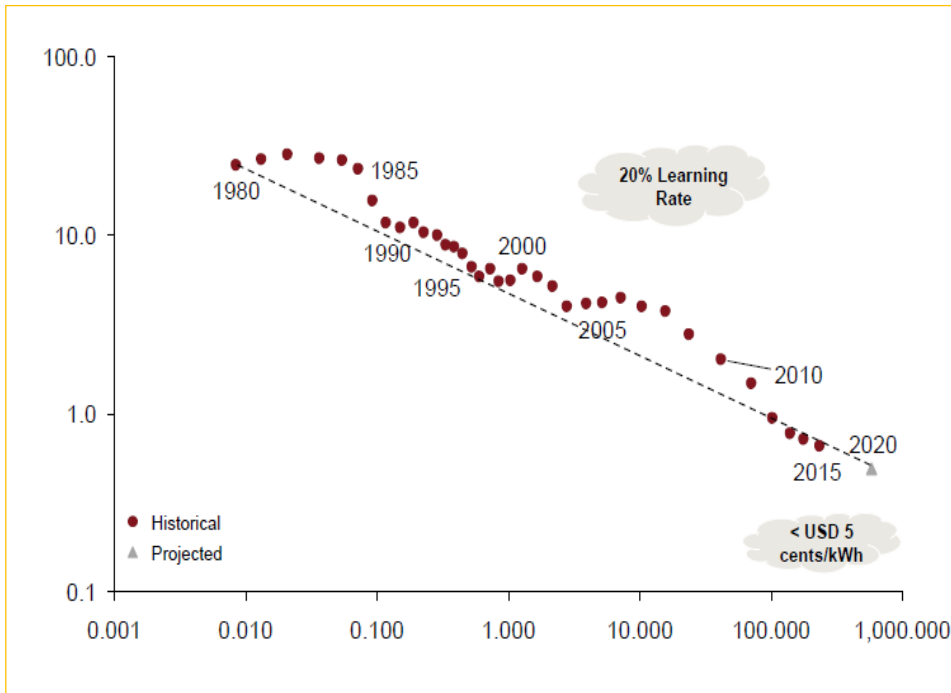
Source: IEA, February 2016
Prices refer to \$/MWh

PV installations are catching up



PV installations are catching up

Price experience curve for PV modules



Source: PWC

Key facts

Key evidence of the sector

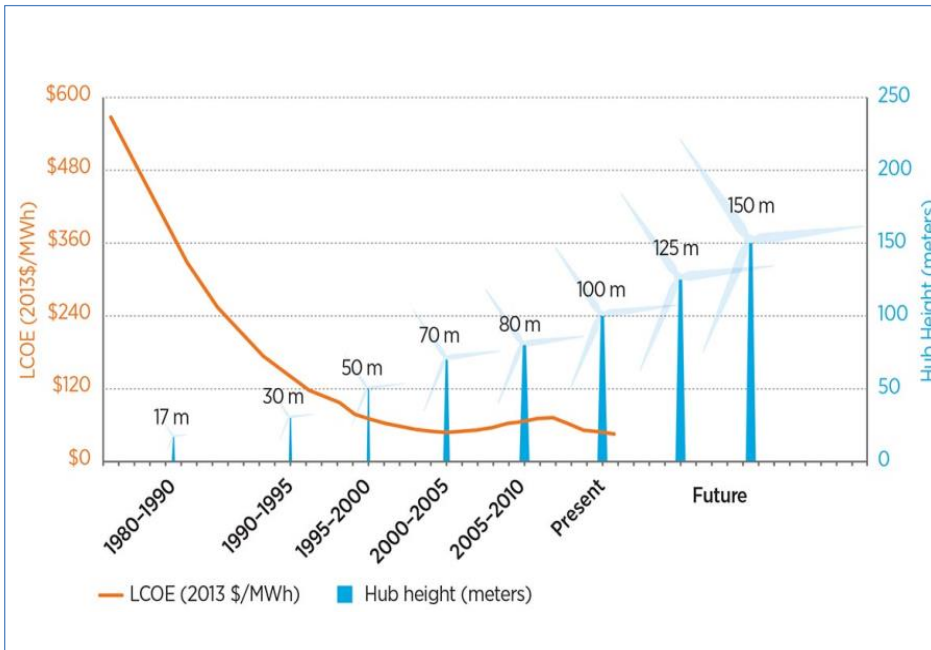
- Pv installations are catching up worldwide thanks to the **spectacular cost reduction they have experienced in the last decade: - 78%**
- It is expected in the next decade **solar LCOE at parity with coal LCOE** in most markets
- Around **67 GW of solar capacity addition** is expected in 2016

■ **Wind keep up momentum**



Wind keep up momentum

LCOE \$/MW vs. hub height



Source: Bloomberg new Energy Finance

Key facts

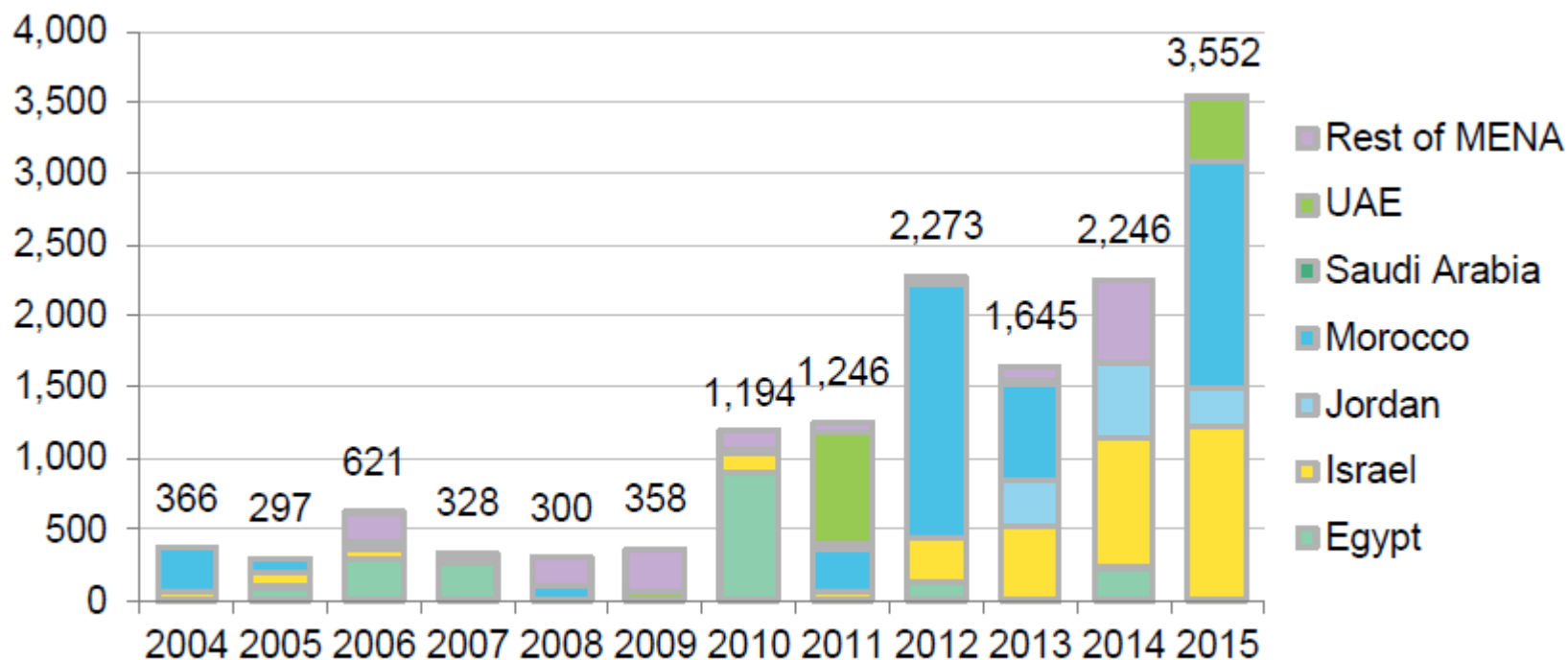
Key evidence of the sector

- **Onshore wind is now cheaper than coal-fired power** in Europe and gas-fired power in both Asia-Pacific and Europe
- **2016 should be another record year for wind** with the world adding around 63 GW
- We expect cheaper wind turbines with better load factors **to open up the market for repowering in mature markets**

RES in the MENA Region



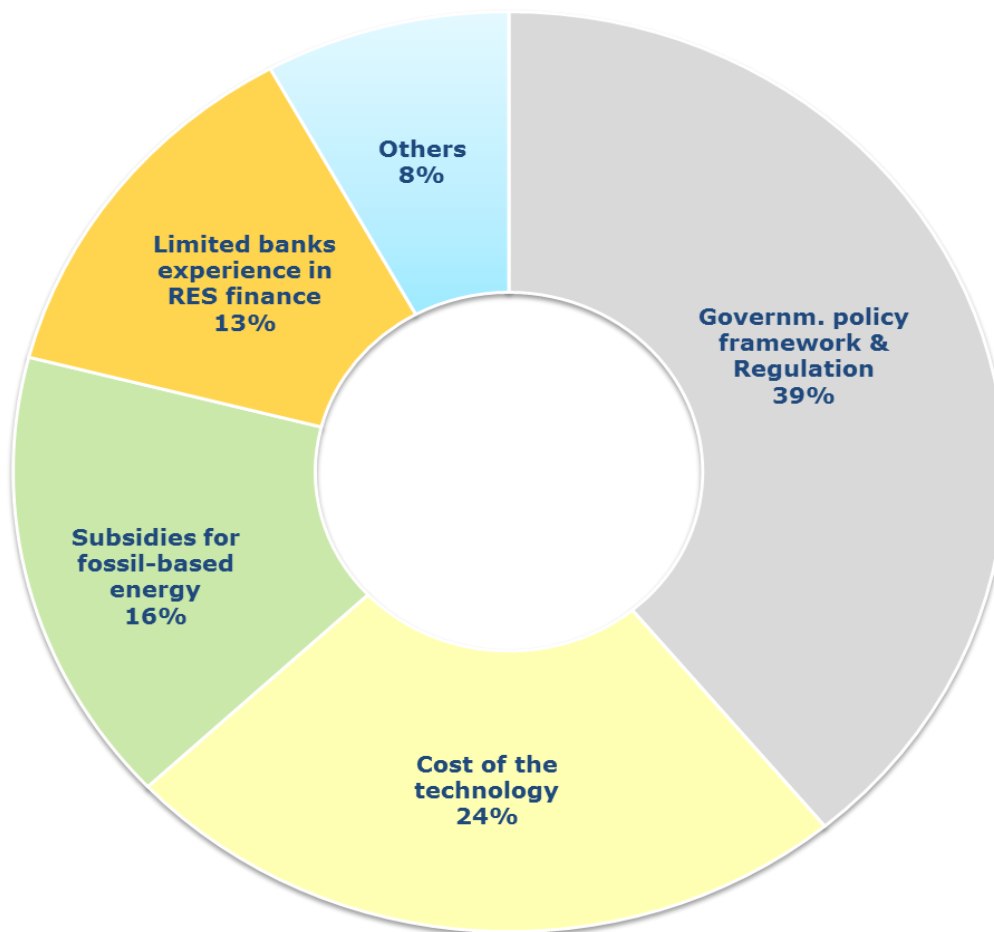
MENA RES investment per country 2004-Q3 2015



Source: Bloomberg New Energy Finance Note: 2015 includes Q1, Q2 and Q3 investments

Morocco and Israel attracted 2/3 of the total MENA investments in RES in the last two years

Main barriers to the deployment of RE in MENA



Governments can address directly most of the key identified barriers

A satellite view of Earth at night, showing the illuminated landmasses of Europe and Africa against the dark background of the oceans. The city lights are visible as bright yellow and white spots, with a higher density in Europe. The text "The role of RES4MED" is overlaid in white, bold, sans-serif font. To the left of the text is a small white square icon.

■ The role of RES4MED

RES4MED Association

RES4MED is a Network of European leading utilities, industries, TSO, agencies, technical service providers and academia, created to support the development of renewable energy and energy efficient solutions in the Mediterranean, by enabling investment and promoting capacity building in the region.

Policy and regulation

**Training and capacity
building**

**Business models and
financing**

Socio-economic benefits

**What's
next?**

**RES4MED aims to transfer its operating model to
Subsaharian Africa**