

PANORAMA



Global renewable energies: continued ascension despite the COVID-19 pandemic

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**DEVELOPING
RENEWABLES GOING
FORWARD - NOT AN
OPTION ANYMORE**

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**RENEWABLE ENERGY
DEVELOPMENT
AND ASSOCIATED
INNOVATION OUTLOOK**

Renewables have strengthened over the past 20 years, particularly in the power generation sector, increasingly gaining market shares from traditional energy sources such as coal, oil and nuclear. China is a major producer of renewable energy and a global leader in energy transition. In this context, integrating renewables into the grid is not an option anymore for governments worldwide, in both advanced and emerging economies, even though they face strong headwinds in some regions. This is the case in Latin America notably, where hydropower had been the first renewable electricity source historically, while solar and wind project development is accelerating thanks to their cost effectiveness.

However, the Covid-19 crisis' impacts on this energy segment are of paramount importance currently, since the pandemic disrupted supply chains and labour availability, while access to funding was hit hard as well. These recent trends have hurt already approved projects and futures ones.

As lockdowns around the world pushed electricity prices into negative territory, induced by subdued demand and oversupply, utilities that mainly use traditional energy sources will have to manage a "new reality", where innovations such as battery integration into renewables projects and decentralized power generation could threaten their existence.

Thus, the health crisis' negative spillover effects have had an impact on global renewable energy development in the short-term and challenges will remain in the medium- to long-term. At the same time, some sectors are expected to keep on using more renewable energies, mainly those that intrinsically pollute more because of the nature of their activities and need to comply with stricter regulations, such as chemicals and metals for instance. These sectors also need to adapt to both the evolution of customers' and the public opinion's willingness, as well as to the fact that they are more sensitive to environmental issues, therefore aggravating legal actions against them on the matter.

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