

Cheaper solar panels fuel rise in renewable energy

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A dramatic drop in the price of solar power technology last year helped the continued growth of renewable energy, according to a U.N.-backed report published Wednesday.

Global energy-generating capacity from renewable sources rose by 115 gigawatts in 2012, compared with 105 gigawatts the previous year, the report by the Paris-based think tank REN21 showed.

Installed renewable [energy capacity](#) rose to over 1,470 gigawatts, equivalent to about 1,500 nuclear reactors. Two thirds of all renewable capacity still comes from hydropower, but wind and solar have been gaining. The worldwide capacity of [photovoltaic cells](#), which convert sunshine into electricity, reached 100 [gigawatts](#) last year, the report said.

The drop in solar prices—fuelled by [Chinese manufacturers](#)—helped bring the overall cost of investment in renewables down 12 percent to \$244 billion from \$279 billion in 2011, effectively boosting the amount of generating capacity investors can get for their money.

"This is not only normal in a rapidly growing, high tech industry but is likely to lead to even more competition, with even bigger gains for consumers, the climate and wider sustainability opportunities," said Achim Steiner, the head of the U.N. Environment Program.

Whether this glut of cheap solar products can last is unclear. Last week the EU announced new import duties on Chinese-made solar panels, cells and wafers, alleging they were being sold abroad at a lower price than at home, or below the manufacturing cost. Last year, the United States imposed tariffs on Chinese solar panels following similar complaints.

UNEP said investment in renewables was strong in developing countries and Japan last year, but stagnated or fell in the United States and many European countries grappling with high government debt and uncertainty over future feed-in subsidies.

China alone invested \$67 billion in renewable energy last year, compared with \$36 billion in the United States and almost \$80 billion for all European countries combined.

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