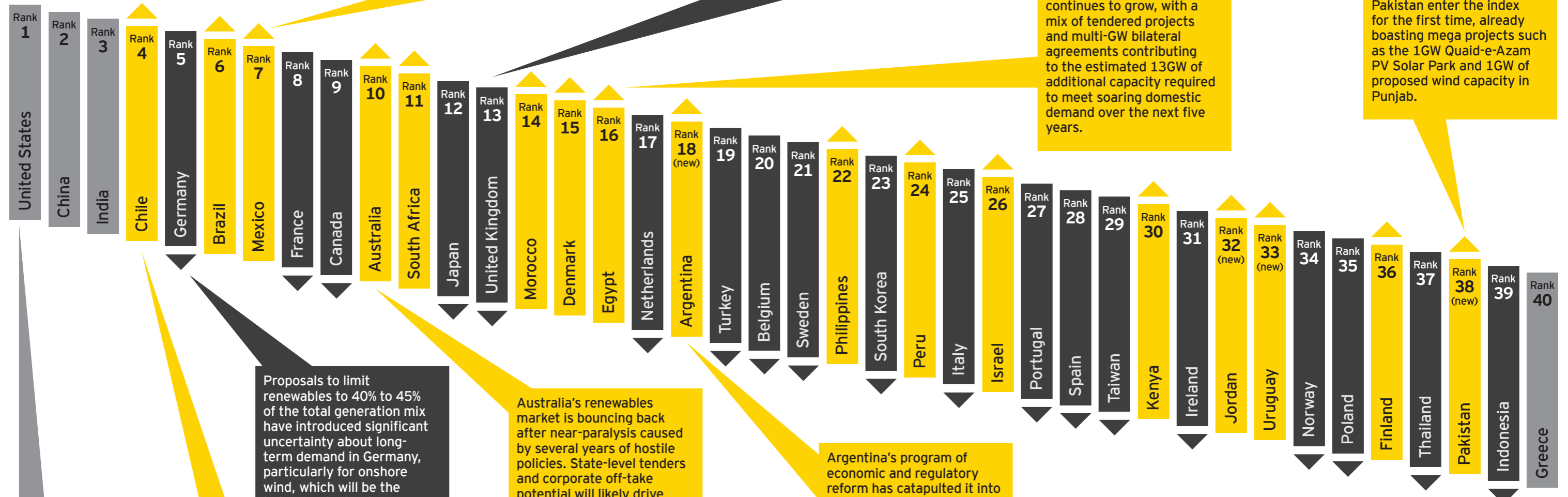


recai

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Mexico's first power auction saw more than 2GW of wind and solar PPAs awarded at highly competitive prices, building on already-strong macroeconomic conditions, a far-reaching energy reform program and a diversity imperative (see our article on page 19).

The UK Government's noncommittal, if not antagonistic, approach to energy policy continues to go against the grain of almost universal global support for renewables. Not only stalling project development and investment inflows, this is arguably jeopardizing UK energy security.

Interest in Egypt's resource-abundant renewables market continues to grow, with a mix of tendered projects and multi-GW bilateral agreements contributing to the estimated 13GW of additional capacity required to meet soaring domestic demand over the next five years.

A robust policy framework and reported US\$3b of foreign renewables investment in 2015 sees Pakistan enter the index for the first time, already boasting mega projects such as the 1GW Quaid-e-Azam PV Solar Park and 1GW of proposed wind capacity in Punjab.

Proposals to limit renewables to 40% to 45% of the total generation mix have introduced significant uncertainty about long-term demand in Germany, particularly for onshore wind, which will be the balancing technology (see our article on page 18).

Australia's renewables market is bouncing back after near-paralysis caused by several years of hostile policies. State-level tenders and corporate off-take potential will likely drive activity in the near term, given the ongoing challenge of securing long-term PPAs (see our article on page 17).

Argentina's program of economic and regulatory reform has catapulted it into the spotlight – and into the index – as a raft of targets, fiscal incentives and tender announcements provide the market with strong visibility over the country's long-term energy strategy (see our article on page 14).

Methodology

The index has been refreshed, with the measures driving all scores recalibrated to match the new reality of imminent grid parity. To see these measures and the background to our methodology please go to ey.com/recai.

Legend

- ▲ Increased attractiveness compared to previous index
- ▼ Decreased attractiveness compared to previous index

Retaining the index top spot, the US is forecast to see an additional 41GW and 56GW of wind and solar respectively through to 2021, with 18GW of each attributed directly to the recent five-year production and investment tax credit extension.

Despite being a relatively small energy market in absolute terms, Chile is continuing to attract a plethora of multi-GW projects, and is one of the first markets in the world to enable economically viable renewables projects to compete directly with all other energy sources.