

Excerpt from BusinessGreen, July 15, 2011

<http://www.businessgreen.com/bg/news/2094042/clean-energy-investment-surges-usd42bn-quarter>

Clean energy investment surges back to \$42bn in second quarter

Fluctuating pattern of investment continues with 27 per cent growth on first three months of the year

Global clean energy investments leaped to \$41.7bn in the second quarter of 2011, a jump of 27 per cent on the previous three months and the third highest level on record, according to figures released today by Bloomberg New Energy Finance.

The substantial rise represented a 22 per cent rise on the same time last year, and was largely attributed to several solar thermal electricity generation projects securing financing, including the world's largest solar project – [BrightSource's 392MW Ivanpah development](#) in California.

[Private equity](#) clean energy investment also shot up 74 per cent to \$3.1bn, the highest figure for any quarter since the third quarter of 2008, driven by a \$445m deal for German biogas company Agri.capital and a further \$240m being ploughed into Chinese solar polysilicon producer LDK.

The figures represent a resurgence for the sector after separate data from the UN found that the first quarter of this year [saw only \\$29bn invested](#) globally in clean energy projects, the lowest quarterly level since the beginning of 2009. BNEF's own figures similarly suggest a sluggish start to the year with between \$32bn and \$33bn invested during the first quarter.

But despite only the fourth quarters of 2010 and 2007 seeing greater investment, clean energy shares failed to mirror the recent surge in investment.

The WilderHill New Energy Global Innovation Index (NEX), which tracks 98 clean energy shares worldwide, fell 13 per cent in the second quarter after a solid performance in the first quarter of the year.

"There continues to be an intriguing contrast between investment in clean energy, which is running very strongly in almost every part of the world, and sector share prices, which have been under-performing," said Michael Liebreich,

chief executive of BNEF in a statement.

"The explanation is partly to do with ongoing [investor](#) worries – perhaps overdone – about future policy support, and partly to do with the fact that this is a highly competitive sector, in which costs are falling and high manufacturer margins are hard to sustain."

Around the world, investment in the US skyrocketed 195 per cent to \$10.5bn, the third-highest quarterly figure ever. BNEF attributed the fluctuating investment levels between the end of 2010 and the second quarter of 2011 to uncertainty over whether the Department of Energy's cash grant scheme for renewable energy projects would expire – the US government decided last year to extend it to the end of 2011 to trigger a surge of investment in the second quarter as planned projects came back online.

....