Remarks

by

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for the

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Excellencies,

Ladies and Gentlemen,

We are going through a time of profound and rapid change in the global energy landscape. Only a few years ago, when IRENA was established, many people doubted the need for the energy transformation and the role renewables could play in this respect. Since then, remarkable cost reductions, technological innovation and enabling policies have led to an unprecedented growth of renewables that has exceeded all expectations and is bringing disruptive change in the way energy is produced, distributed and consumed. These changes offer immense economic, social and environmental benefits to citizens and communities and it is essential that legislators are aware and engaged to take advantage of the opportunities emerging in this dynamic space.

Looking ahead, the downward cost trends which underpin the business case of renewables are expected to continue. We have just released our latest report on *Renewable Power Generation Costs*, which projects that by 2019, the most competitive onshore wind and solar PV projects will be *delivering* electricity for 3 USD cents/kWh. Already now, renewable energy auctions are being *awarded* at record low prices. In December, Mexico awarded the cheapest solar bid yet to a consortium planning to sell solar power for less than 2 USD cents/kWh. Auctions in the Netherlands and Germany this year have shown that offshore wind farms can now attract interest even without subsidies. By 2020, all currently commercialised renewable energy technologies will not only be able to compete with but may even undercut conventional energy sources. Overall, our analysis finds that costs for solar PV could drop by a further 60%, offshore wind by 35% and concentrated solar power by almost 45% over the next decade. And we are experiencing similar trends in battery storage costs, which we think will be a gamechanger. IRENA’s storage costs report, released last October, finds that by 2030, total installed costs battery electricity storage systems could fall between 50% and 60%. This is a remarkable technological and economic achievement.

Governments across the globe are increasing their level of ambitions to reflect this new reality. Just last month, Egypt announced that it aims to generate 42% of its electricity from renewables by 2025. A remarkable declaration. China already surpassed its 2020 goal of installing over 100 GW-worth of solar panels in 2017. And Germany marked a symbolic milestone in its *Energiewende* by briefly covering around 100% of its electricity use with renewables for the first time ever on 1 January 2018.

Beyond country-wide targets, major global companies are increasingly relying on renewables to power their businesses. 40% of the Fortune 500 companies have set sustainable energy targets, and over 95 leading corporations have committed to using 100% renewable energy. In 2017, RE100 members created demand for around 122 TWh of renewable energy annually - that is more than enough to power the whole of Sweden.

In line with the attractive business case, investments in renewables in 2016 exceeded 270 billion USD and capacity additions reached a record 161 GW, with most capacity additions being in developing countries.

The global drive to address climate change is providing further impetus to the deployment of renewables. The urgency has never been greater. Last month, the World Meteorological Organisation announced that the concentrations of carbon dioxide in the atmosphere surged in 2016 to the highest level ever recorded. And rising levels of air pollution in large cities are taking a major toll on public health and economic activity.

If we are serious about tackling climate change, it is imperative to accelerate the decarbonisation of the energy sector as it accounts for two thirds of global emissions. According to analysis we undertook last year in the context of the German G20 presidency, renewables and energy efficiency combined could meet 90% of the emission reduction needed to achieve the ‘well below 2 °C’ objectives of the Paris Agreement. In this scenario, the share of renewables in the primary energy supply would rise to 65% by 2050, up from 15% today, and, looking at the record achievements in the industry, we think this is feasible.

This energy transformation is not only technically feasible, but also economically attractive. It can fuel low-carbon economic growth and create new employment opportunities. Global GDP could be boosted by up to 0.8% by 2050 and renewable energy jobs could rise from an estimated 9.8 million jobs today to around 26 million. When we released these findings last March, they made headlines and attracted considerable attention. In our next biennial Work Programme, we will be further showcasing the considerable socio-economic benefits of energy transformation which are issues of particular importance to parliamentarians and the constituencies they serve. We will also expand our work on skills and training, so the workforce in our countries is better positioned to benefit from this transition.

The constraint today is not project development. It is providing skills and education needed for the transformation. Most countries now recognise the centrality of renewables for decarbonisation efforts, and reference them in their Nationally Determined Contributions. However, our recently released NDCs report finds that around twice as much new renewable power capacity came online in 2015 and 2016 compared to the amount foreseen in existing NDCs. In this context, the first panel of today’s Forum will explore how to strengthen the renewable energy component in the NDCs, an area where our engagement with our members will also grow through a specially dedicated facility to support their efforts in this context.

At the same time, efforts must be intensified in end-use sectors, which account for around 60% of all energy sector CO2 emissions, that are lagging behind. We are seeing promising change particularly in the transport sector. As you will know, e-mobility has been dominating renewable energy headlines in recent months: more countries announced that they will be phasing out petrol and diesel cars, more cities are introducing incentive schemes for zero emission vehicles, and more legacy car manufacturers are launching new EV models. In Norway, half of all new car sales are now electric or hybrid, putting it on a strong path to achieve its goals of only selling zero-emission cars starting from 2025. Our MRT on Sunday, which I hope you will attend, will explore the synergies between transport sector electrification and an accelerated renewable energy deployment.

Despite growing levels of investments in renewables, achieving the decarbonisation needed in the energy sector will entail investing an estimated 25 trillion USD in renewables by 2050 – which we believe is achievable. This implies approximately tripling the current annual investments. Most of the investments required will have to come from the private sector and I am again pleased that you will be able to directly discuss with a number of private sector representatives at the *Public-Private Dialogue* this afternoon the challenges facing scaling up of investments in renewables, a topic which will also be at the centre of our discussions at the MRT tomorrow afternoon.

Ladies and Gentlemen,

The energy transformation is not about the replacement of one energy source by another but an agenda of an economic and industrial transformation. The ‘three Ds’ of renewable energy — decarbonisation, decentralisation and digitalisation — are reshaping the energy sector and the entire economy.

As decision-makers, you are in a unique position to drive this transformation. Through your role, you are involved in setting long-term renewable energy targets, ensuring appropriate budget allocation, developing legal and institutional frameworks to accelerate innovation and the deployment of renewables, and mobilise investments.

Let me just give you just one of many examples illustrating the important role of legislators in creating an enabling framework for renewables. Last December, I visited Argentina where I had the honour to be received by President Mauricio Macri. Argentina has completely overhauled its renewable energy sector in less than two years and made impressive progress in renewables deployment to the point where it will likely meet its renewable energy target of 20% renewable electricity by 2025 ahead of time – and they just started. Argentinian officials told me that the adoption by Parliament of a new renewable energy legislation, passed with broad support from all parties in 2015, was critical to kickstarting these achievements. You cannot underestimate the role that you play at the national level.

Ladies and Gentlemen,

Energy is not about ideology; it is about delivering kilowatts, megawatts and gigawatts in an affordable and secure manner to improve livelihoods and power our economies while preserving our environment.

As champions for renewable energy, your advocacy for the potential of renewables will be essential for moving to a new economic age.

We very much believe that we must seize this extraordinary opportunity together, and, at IRENA, we are ready to work with all of you to make this sustainable energy future a reality for all of us.

I would like to appreciate Martin Chungong’s presence here today. Partnering on the international level will be essential to amplify our message and I appreciate the offer for collaboration in the future. We all need to be engaged in this effort to move the agenda forward.

Thank you.