

Record Year for Wind Energy: Global Wind Power Market increased by 43% in 2005

Continued political efforts can give even stronger impetus for 2006 -

Press release by GWEC-Global Wind Energy Council

Brussels. The global wind energy sector experienced another record year in 2005. According to the figures released today by the Global Wind Energy Council (GWEC), the year saw the installation of 11,769 megawatts (MW), which represents a 43.4% increase in annual additions to the global market, up from 8,207 MW in the previous year. The total value of new generating equipment installed was over €12 billion, or USD14 billion.

The total installed wind power capacity now stands at 59,322 MW worldwide, an increase of 25% compared to 2004.

“The overall picture confirms that the right political framework is crucial to sustain the growth of wind power around the world and to open new markets. Some 48 governments have already introduced laws and regulations to support the development of renewable energies, but this effort needs to be increased if the benefits of wind energy are to be reaped around the world,” said Arthouros Zervos, Chairman of GWEC.

The countries with the highest total installed capacity are Germany (18,428 MW), Spain (10,027 MW), the USA (9,149 MW), India (4,430 MW) and Denmark (3,122). India has thereby overtaken Denmark as the fourth largest wind market in the world. A number of other countries, including Italy, the UK, the Netherlands, China, Japan and Portugal have reached the 1,000 MW mark of installed capacity.

In terms of new installed capacity in 2005, the US was clearly leading with 2,431 MW, followed by Germany (1,808 MW), Spain (1,764 MW), India (1,430 MW), Portugal (500 MW) and China (498 MW). This development shows that new players such as Portugal and China are gaining ground.

Europe is still leading the market with over 40,500 MW of installed capacity at the end of 2005, representing 69% of the global total. In 2005, the European wind capacity grew by 18%, providing nearly 3% of the EU's electricity consumption in an average wind year.

“The European market has already reached the 2010 target set by the European Commission of 40,000 MW five years ahead of time,” said Christian Kjaer, the European Wind Energy Association's (EWEA) Policy Director. Moreover, growth is now happening in a greater number of countries, including new markets such as

Portugal and France. By 2010, wind energy alone will save enough greenhouse gas emissions to meet one third of the European Union's Kyoto obligation.”

Despite the continuing growth in Europe, the general trend shows that the sector is gradually becoming less reliant on a few key markets, and other regions are starting to catch up with Europe. The growth in the European market in 2005 only accounted for about half of the total new capacity, down from nearly three quarters in 2004.

Nearly a quarter of new capacity was installed in North America, where the total capacity increased by 37% in 2005, gaining momentum in both the US and Canada. The US wind energy industry broke earlier annual records of installed capacity with installing nearly 2,500 MW, which makes it the country with the most new wind power.

According to the American Wind Energy Association (AWEA), this is largely due to the current threeyear window of stability in the federal incentive for wind energy, the production tax credit (PCT). “Thanks to the Congress’s extending the wind energy production credit before it expired for the first time in the credit’s history, the wind industry is looking forward to several recordbreaking years in a row,” said AWEA’s Executive Director Randall Swisher. Previous years had seen a constant up and down of the market, depending on whether the PTC had been renewed in time to create investor confidence.

The Canadian wind capacity increased by a staggering 53%. “Canada’s wind energy industry is growing by leaps and bounds – and that’s great news for Canadians who research shows are strongly in favour of wind energy,” said Robert Hornung, President of the Canadian Wind Energy Association (CanWEA). “2005 will be remembered as the year Canada first started to seriously exploit its massive wind energy potential.”

Asia has also experienced strong growth of over 49% of installed capacity, bringing the continent up to a total of over 7,135 MW. In 2005, the continent accounted for 20% of new installations. The strongest market here remains India with over 1,430 MW of new installed capacity, which takes its total figure up to 4,430 MW.

The Chinese market has been boosted in anticipation of the country’s new Renewable Energy Law, which entered into force on 1 January 2006. As a result, nearly 500 MW of new capacity was installed in 2005, more than double the 2004 figure. This brings China up to 1,260 MW of capacity, thereby passing the 1,000 MW mark which is often deemed critical for sustained market growth.

“Thanks to the Renewable Energy law, the Chinese market has grown substantially in 2005. According to the list of approved projects and those under construction, 2,000 MW of wind capacity could be installed by the end of 2006. The goal for wind

power in China by the end of 2010 is 5,000 MW,” said Li Junfeng of the Chinese Renewable Energy Industry Association (CREIA).

The Australian market nearly doubled in 2005 with 328 MW of new installed capacity, bringing the total up to 708 MW. “The 2007 implementation of a state based market mechanism and a commitment by state governments to establish an emissions trading scheme will provide financial incentives to continue this growth,” said Dominique Lafontaine, CEO of AusWind.

The relatively young African market saw a steady continuation of its growth, with an installation figure double that of 2004. The main countries experiencing growth are Egypt (230 MW, up from 145 MW) and Morocco (64 MW, up from 54 MW).

“Wind energy offers more than just power: it has the potential to support economic development, improve the security of energy supply, mitigate hydrocarbon price volatility, create jobs and contribute to substantial CO2 reductions. Without political support, however, wind energy remains at a competitive disadvantage due to distortions in the world’s electricity markets created by decades of massive financial, political and structural support to conventional technologies,” said Arthouros Zervos.