



Generating Money

City types are waking up to wind, waves and the sun and their potential to make energy – and money. This is just as new energy policies for Europe emerge with twenty percent targets for renewable energy and greenhouse gas cuts. Add to the mix climate change negotiations which will be back in Bali in December.

CLIMATE CHANGE, HIGH OIL PRICES AND GAS SUPPLY politics have propelled energy, and its pollution, up the international political agenda. Almost unnoticed, these same factors are shifting renewable energy from a niche project into the mainstream. This is not just according to academics or people poring over energy potential, but in the hard-nosed commercial world of investors and financiers. Money is flowing, wind and solar are fast becoming big business, and sustainable energy policy should be more confident as a result.

There has been a seventy percent growth in the twelve months to September in investment funds alone, targeting renewables and a broader clean technology category including air, waste and water pollution technology. The specialist analysts New Energy Finance calculate that there are at least 174 funds which have amassed \$22.5 billion plus to invest.

Michael Liebreich, its founder and Chief Executive says: 'There is now serious money flowing into this sector. Since 2004 when we started analysing investment flows, money going into the sector has risen exponentially.'

Some suggest the investor rush to renewable energy will create a bubble, with companies likely to fail, and shakeouts inevitable. However, investors regard this as a growth sector which is here to stay.

Some numbers: the first thorough analysis of global investments in renewable energy and energy efficiency from the United Nations Environment Programme (UNEP) and New Energy Finance, puts the total at \$75.4 billion in 2006, up a substantial 43 percent from the previous year. Add in corporate activity such as company mergers, and

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