

Around 90% of renewables cheaper than fossil fuels worldwide, IRENA says

By Reuters

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Power-generating windmill turbines are seen at the Eneco Luchterduinen offshore wind farm near Amsterdam, Netherlands September 26, 2017. REUTERS/Yves Herman//File Photo [Purchase Licensing Rights](#)

LONDON, July 22 (Reuters) - The majority of newly commissioned renewable energy is more cost-effective for electricity generation than most fossil fuels worldwide, a report by the International Renewable Energy Agency (IRENA) showed on Tuesday.

WHY IT'S IMPORTANT

A target was set at the COP28 U.N. climate conference in 2023 to triple the amount of renewables, such as wind and solar, to keep a 1.5 degree Celsius (2.7 Fahrenheit) warming limit this century within reach.

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BY THE NUMBERS

Last year, 582 gigawatts of new renewable energy capacity, such as hydropower, solar, wind and geothermal, was added globally. This was nearly 20% higher than in 2023. Around 91% of the utility-scale projects commissioned were more cost effective than fossil fuel alternatives, the report said.

Solar photovoltaic (PV) was 41% cheaper on average than the lowest-cost fossil fuel alternatives, such as gas, while onshore wind projects were 53% cheaper.

The cost of battery energy storage systems has declined by 93% since 2010, the report added.

CONTEXT

The costs of renewable technologies have been decreasing since 2010 due to technological advances and economies of scale.

Continued reductions are expected but challenges in the short term have come from issues such as geopolitical tensions, trade tariffs and bottlenecks in raw material production and procurement, which could temporarily drive up costs, IRENA said.

KEY QUOTE

"Looking at all renewables currently in operation, the avoided fossil fuel costs in 2024 reached up to \$467 billion. New renewable power out competes fossil fuels on cost, offering a clear path to affordable, secure, and sustainable energy," said Francesco La Camera, director general of IRENA.

"However, this progress is not guaranteed. Rising geopolitical tensions, trade tariffs, and material supply constraints threaten to slow the momentum and drive-up costs," he added.

Reporting by Nina Chestney; Editing by Sharon Singleton

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