

Fossil fuels blown away by wind in cost terms: study

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There is a bright future for wind and solar power as they are rapidly becoming cheaper than fossil fuel electricity plants, according to a new study.

New onshore wind and solar energy projects are set to deliver electricity more cheaply than fossil fuels plants, with other green technologies also

rapidly gaining a cost advantage over dirty fuels, a report published Saturday said.

According to a new cost analysis from the International Renewable Energy Agency (IRENA), within two years "all the renewable power generation technologies that are now in commercial use are expected to fall within the fossil fuel-fired cost range, with most at the lower end or undercutting fossil fuels".

It expects renewables will cost between three and 10 US cents per kilowatt hour (kWh) by 2020, while the current cost spectrum for fossil fuel power generation ranges from five to 17 US cents per kWh.

"This new dynamic signals a significant shift in the energy paradigm," said IRENA's Director-General, Adnan Amin, in a statement.

"Turning to renewables for new [power generation](#) is not simply an environmentally conscious decision, it is now—overwhelmingly—a smart economic one," he added.

Continued technological advancements are not the only factor helping drive down prices. The report found that the market was becoming more competitive and a number of experienced project developers had emerged in the sector.

The best onshore wind and solar PV projects are expected to deliver electricity for three US cents or less by next year.

But onshore wind and solar are not the only sectors becoming more competitive rapidly. The study found that new bioenergy and geothermal projects commissioned in 2017 had global weighted average [costs](#) of around seven US cents per kWh.

IRENA said auction results suggest that two other technologies—concentrating solar [power](#) (CSP) and offshore wind—will provide electricity for between 6-10 US cents per kWh by 2020.

"These cost declines across technologies are unprecedented and representative of the degree to which [renewable energy](#) is disrupting the global energy system," said Amin.

The report was released on the first day of the eighth assembly of IRENA, which aims to be a global hub for renewable [energy](#) cooperation and information exchange by its 154 member countries.

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