

SOLAR, ON THE WAY TO BEING THE CHEAPEST ENERGY

Posted on 03/01/2017 by Naider



Renewables technology is becoming more mature and its costs are decreasing. Since 2009, the price of solar power has fallen 62%, and according to [Bloomberg](#), by 2025 solar energy will be cheaper globally than the use of coal. A favorable scenario for the necessary "decarbonization" of the planet, key to preventing global warming from exceeding 2°C.

As early as 2016, countries like Chile and the United Arab Emirates have generated electricity from the sun at a cost of less than 3 eurocents per kilowatt-hour, half the global

average cost of power from coal. Given this context, countries such as Jordan and Mexico plan to close projects for new large solar plants in 2017. Saudi Arabia, the country that exports the most crude and the most oil to produce electricity, [aspires to become](#) a solar powerhouse. Meanwhile, Spain, with great potential for using the sun, is lagging behind, although it still has time to regain prominence.

Technological innovations, economies of scale and experience in production have reduced the costs of solar in the last decade, increasing the competitive advantage over fossil fuels. According to Bloomberg calculations, the average cost per watt in 2025 will be 70 euro cents, a decrease of 36% compared to the current €1.10. In addition to lower prices, it must be taken into account that solar [generates twice as many jobs](#) per unit of electricity generation than gas and coal combined, according to [International Renewable Energy Agency \(IRENA\)](#).

Solar will make coal cheaper sooner or later depending on the country. In countries that import coal or discourage coal with taxes, in Europe or Brazil, solar will make it cheaper in the 2020s or even sooner. In countries with large coal reserves such as China, the milestone will occur in 2030, although the Asian giant recently overtook Germany as the nation with the largest installed solar capacity.

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