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Green Energy Seen as \$100 Billion Market in Decade

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USA:March 23, 2005

NEW YORK- Renewable energy like wind and solar power and hydrogen fuel cells could blossom into a \$100 billion a year global market in less than a decade as technology costs fall, according to a study.

The combined market for "green" sources of energy has already grown 68 percent since 2002 to more than \$16 billion last year, according to Clean Edge, a research and publishing firm based in California.

The market could grow to a \$102.4 billion annually by 2014, according to Clean Edge, whose forecasts on renewable energy have been exceeded by the market for the past three years.

Even if the renewable market grew to that size, it would be tiny compared to conventional energy. The oil market alone is several trillion dollars per day.

But with oil hitting recent records near \$58 a barrel and natural gas futures double what they cost in the late 1990s, renewables should remain the fastest growing energy market, the study said.

"While the traditional fossil fuels are increasing in price, clean forms of electricity generation are seeing reduction in prices, so that over time these clean energy forms are becoming less expensive," said Clean Edge co-founder Ron Purnick.

Clean Edge's study was sponsored by Nth Power, a venture capital firm focused on energy and utilities, Heller Ehrman, a law firm focusing on emerging technologies, Antenna group, a public relations firm, and an environmental group called Environmental Entrepreneurs.

In the United States, incentives for renewables have been growing at the state level. Some 18 states have issued rules known as renewable portfolio standards that require as much as 20 to 25 percent of the power used in the state in the future to come from clean energy sources.

Two trends are boosting wind power in the United States. In gusty parts of the country, such as West Texas, wind power at 4.5 cents per kilowatt has even become cheaper than power from natural gas at 5 to 6 cents per kilowatt. In addition, utilities, such as Puget Sound Energy, a utility division of Puget Energy, have been buying wind farms.

"Instead of buying kilowatt hours, utilities are buying production outright," said Thomas Carbone, president of Vestas Americas, a division of Vestas, the world's largest wind

turbine maker.

Despite the growth in clean power, the stock prices of clean energy firms have not all been steadily rising.

"While a number trade at or near their 52-week highs, many continue to be saddled with delayed production releases, limited earnings, and similar issues facing emerging companies," the report said.

The first US clean energy stock index was launched on the American Stock Exchange earlier this month. The PowerShares clean energy portfolio is based on the WilderHill clean energy index which is up 26 percent since its inception last summer.

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