



Press release  
For immediate release, 20<sup>th</sup> April 2017

## Investor appetite wanes for new clean energy projects in Q1.17

- New offshore wind investment drops \$6 billion from Q1.16
- European green bond market booms to \$18.7 billion
- Public market activity triples year-on-year to \$3.6 billion

**London, 20<sup>th</sup> April, 2017.** Clean Energy Pipeline, the online financial news and data service dedicated to the clean energy sector, today releases its preliminary analysis of venture capital, private equity, project finance, mergers and acquisitions, public markets and green bonds activity during Q1.17.

Global new clean energy investment totalled \$56.6 billion in Q1.17, a 10% decline on the \$63.3 billion of investment recorded in Q1.16. It also represents a 25% decrease on 2016's \$75.9 billion quarterly investment average and marks the lowest quarterly investment volume since 2013.

"Q1.17's low was primarily due to the declining investment momentum in the European offshore wind project finance market and a fall across Asia Pacific," commented Thai Tran, Head of Data at Clean Energy Pipeline. "M&A activity and green bond issuances in Q1.17 were still robust, demonstrating that significant interests remain in the sector."

### Lull in offshore wind project finance

Clean energy project finance dropped to \$39.2 billion in Q1.17, a notable 16% decline from the quarterly average of \$47 billion recorded across 2016.

The fall in investment level was due to the \$6 billion less invested in the offshore wind sector from the corresponding period in 2016. While Q1.16 hosted offshore six deals totalling \$10 billion, Q1.17 saw just \$4 billion invested across four utility scale offshore wind farms [-60%], including EnBW's 492 MW Hohe See offshore wind farm.

Solar and onshore wind did not experience the same fate as offshore wind in Q1.17. A total of \$12.4 billion was invested in solar projects, up 33% from Q1.16, while onshore wind projects generated \$16.9 billion in investment, an increase of 14% on Q1.16.

The most significant deals of the quarter included the aforementioned EnBW transaction, ScottishPower and National Grid's Wester Link transmission line, the 288 MW Butendiek and the 230 MW Borkum West II Phase II offshore wind projects.

### Europe pushes green bond market to \$28 billion

The global green bond market put in a strong showing in Q1.17, hosting 58 deals worth \$28.1 billion, up 31% from \$21.4 billion in Q1.16.



Europe recorded its strongest ever quarter, accounting for \$18.7 billion worth of green bonds and hosting six of the top ten issuances, including the French government's Eur7 billion green bond, ENGIE's Eur1.5 billion issuance and Enel's \$1.3 billion transaction.

### **Big deals characterise M&A market**

Total clean energy M&A activity, including corporate acquisitions, hit \$28.7 billion in Q1.17.

Three deals accounted for 37% of global clean energy M&A transactions in Q1.17 as the market continues to drift towards fewer but larger deals.

Indeed, despite hosting just 20 more deals than Q1.16 [+11%], Q1.17 saw an overall 79% increase in M&A deal value.

### **European public market activity drops off**

Clean energy public market activity experienced somewhat of a renaissance in Q1.17, as companies saw fit to raise more than \$3.6 billion through IPOs, secondaries and convertible note issuances. It marked a three-fold increase on the \$1.2 billion invested in Q1.16 and almost equalled 2016's quarterly average of \$3.7 billion.

North America experienced a significant quarter-on-quarter shift in 1Q.17 as investors led \$1.5 billion in public market deals, up from \$418 million in Q4.16. In comparison, European public market activity in Q1.17 saw just five secondary deals worth \$309 million – a substantial slip from the \$3.2 billion invested in the preceding quarter.

The three largest public market deals in Q1.17 comprised Shanghai Environment Group's \$1 billion IPO in March, closely followed by two Tesla deals - a \$977 million convertible note offering and a \$400 million secondary transaction.

### **VCPE investors shy on development**

Clean energy venture capital and private equity investments in Q1.17 declined 10% from Q1.16 to \$1.7 billion.

Investors committed an additional 15% in early stage VC investments in the quarter, at \$787.5 million, while late stage VC financing increased substantially by 127% to \$188.8 million.

Investment in development capital however recorded a substantial decrease, dropping off by almost 33% to \$810 million.

The statistics package on which this press release is based can be downloaded at:

<http://public.cleanenergypipeline.com/data/quarterly-statistics>

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### **About Clean Energy Pipeline**



Founded in 2005, Clean Energy Pipeline is an independent provider of online financial news, data and research globally. Clients include governments, multinational and privately owned companies, investment banks, law firms, venture capital private equity and hedge funds in over fifty-five countries. In addition to its online news and data service, the company offers customised research and organises senior executive forums.

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