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Solar, wind and hydro-electric energy markets

Set forth below is a summary of the key markets in which the projects in our initial portfolio operate or that we expect to have projects operating in the near term.

China

The installed base of energy generation capacity in China increased from 963 GW in 2010 to 1,245 GW in 2013, or a CAGR of 9%. The following table summarizes the components of China's installed energy generation capacity for 2013:

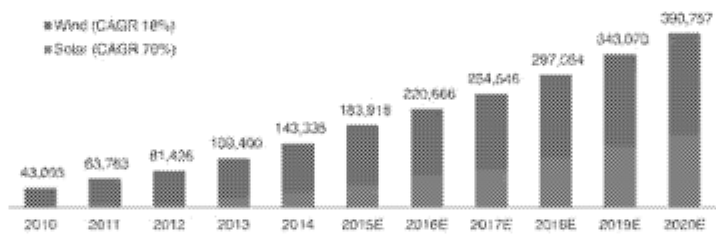
Fuel type	Percentage
Coal	63.8%
Hydro-electric	20.8
Wind	7.2
Gas	3.7
Solar	1.6
Nuclear	1.2
Oil	1.1
Biomass	0.7
Total	100.0%

Retail electricity prices have risen in China at a CAGR of 7% over a seven-year period. We expect retail electricity prices in China to continue to rise primarily due to increasing costs of conventional energy, an expanding middle class, increased industrialization and continuing environmental restrictions on conventional energy sources.

China's renewable power market has also seen significant growth over the last three years. The cumulative installed capacity of renewable energy sources in China grew from 248 GW in 2010 to 377 GW in 2013, or a CAGR of 15%. Renewable energy accounted for 46% of overall energy capacity growth from 2010 to 2013. Renewable energy sources are expected to grow to 541 GW in 2017, or a CAGR of 9% from 2014 to 2017.

China's cumulative solar energy generation capacity grew from 789 MW in 2010 to 32.9 GW in 2014, representing a CAGR of 154%. During the same period, the cumulative wind energy generation capacity grew from 42 GW to 110 GW, or a CAGR of 27%. The chart below shows the cumulative solar and wind energy generation capacity in China's solar and wind energy market from 2010 to 2020:

China cumulative solar and wind energy generation capacity (in MW), 2010–2020



Source: Bloomberg New Energy Finance