

Brazil Ranked Most Attractive Market for Renewable Energy Investment in South America in 2021

Continued reform has made Brazil the leading market in South America for renewable energy investors according to Ernst & Young and other leading sources.

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[/EINPresswire.com/](https://www.einpresswire.com/) -- Brazil's renewable energy market continues to rise up the investment attractiveness

rankings year on year as ongoing reform creates new opportunities in the maturing sector. Both Ernst & Young and IHS Markit rank Brazil as the most attractive market for renewable energy investment in South America in 2021, while Bloomberg New Energy Finance places Brazil 3rd in

the world for emerging clean energy market growth. Geographically blessed, the populous South American nation has now created a policy landscape that is attracting investors from around the world.

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Rachel Andalaft, CEO of Mangifera Analytics

“Brazil's rise in the international rankings for investment attractiveness is little surprise to those of us focused on the industry in recent decades. With equatorial sunshine, tropical rainfall, and dependable windscapes, Brazil is blessed with huge renewable energy potential,” says [Rachel Andalaft, CEO of Mangifera Analytics](#). “All we needed was the progressive policy development that has gradually created the foreign energy-investment paradise

we see today. Considering the growing electricity demand, bold clean energy targets, and untouched offshore potential, we can expect Brazil to continue its rise for many years to come.”

Present Opportunities

According to BloombergNEF, Brazil is the third most attractive country for clean energy investment globally, with wind and solar generation in Brazil expected to exceed 60 GW by 2035,



attracting over \$50 billion of investment.

“The Brazilian market offers security and opportunities to foreign investors, and Brazil is blessed with natural resources,” said Fernando de Lapuerta, CEO of Statkraft Energias Renovaveis, at a 2020 BNEF event. Tiago Figueiró, Partner at Brazilian energy law firm, Veirano, adding that “it is an expansion-driven market, generally open to foreign investors.”

Brazil’s impressive rankings come from its investor-friendly policies and a diverse selection of growing renewable energy markets. The country currently ranks in the top 10 most attractive investment destinations in the world for four major sources of renewable energy; hydro (5th), onshore wind and biomass (8th), and solar (9th).

Hydropower accounts for over 70% of global electricity production from renewable energy sources, the sector is currently underrepresented in the portfolios of institutional investors. Brazil is currently the third-largest hydroelectricity producer in the world after China and Canada. However, experts agree that Brazil’s hydroelectric potential has not yet been fully explored given the vast potential of the Amazon basin and high average rainfall.

Equatorial sunshine also creates the ideal conditions for solar power generation and, when combined with the country’s high average rainfall, the environment is perfect for biomass energy development. “Brazil has the potential to produce more sustainable biomass than any country in the world,” says Javier Farago Escobar, founder of Biomass Trust.



Rachel Andalaft, CEO of Mangifera Analytics



Grid Connection for Wind Power Generators in Brazil Report

Brazil's onshore wind sector has seen strong growth in recent years and showed no signs of a slowdown in project construction during the COVID-19 pandemic. In fact, Brazil ranked third for total new wind installations in 2020, behind only China and the US, according to the 2021 Global Wind Power report by GWEC. Continued growth has been largely credited to the development of projects through PPAs driven by Brazil's competitive wind power prices, maturing supply chains, and improved grid connection.

"Wind power has been presenting significant growth for the past couple of decades. Each year, new installed capacity records are reached, and policy continues to find new ways to make wind energy a more competitive source, with lower and lower prices," according to the [2021 Grid Connection for Wind Power Generators in Brazil report](#) by [Mangifera Analytics](#). "In the past seven years, the wind power sector in Brazil has already accumulated over \$32 billion in investments. The installed capacity was around 17 GW in 2020, and the market is estimated to reach over 24 GW by 2024."

Bright Future

Brazil's rise in energy investment attractiveness is also a product of its future potential. The conditions that make the country ideal for biomass also support its growth as a major export market for green hydrogen, identified as a key source of clean fuel for the EU and other markets. In March, Australia's Enegix Energy reached an agreement with the Ceara state government to invest \$5.4bn to build what will be the largest green hydrogen project in the world. Domestically, huge new electrical capacity will come from Brazil's massive and untouched offshore wind potential.

"Brazil is pushing ahead with plans to deploy offshore wind capacity. Currently, it does not have any turbines off its 8,000km Atlantic coast, but a new bill was proposed in Congress in February that, if passed, would open up the sector," reads E&Y's 2021 RECAL report. "Meanwhile, Brazil's federal environmental authority, IBAMA, released licensing guidelines for offshore wind power projects last year. Additionally, the federal energy planning authority, EPE, published a road map for the sector that called attention to infrastructure bottlenecks."

Brazil's waters offer some of the world's best locations for turbine operation, including a 50 meter deep and 30-kilometer wide continental shelf with average wind speeds of 7.25m/s. Spanish electric utility company, Iberdrola, and Norwegian energy giant, Equinor, have already sought licenses for 9GW and 4GW respectively, while local firm BI Energia has submitted a request ahead of the highly-anticipated new offshore bill.

"The present opportunities and future potential of the Brazilian renewable energy are there for all to see. The unprecedented competitiveness of the 2021-22 energy auctions demonstrates that fact," says Rachel Andalaft, CEO of Mangifera Analytics. "That's why we created Mangifera Analytics, to create that bridge to allow foreign energy investors to understand the inner workings of the Brazilian energy sector and to help them succeed in this lucrative market."

About Mangifera Analytics

Born in Brazil —offices in Europe, Asia, and North America— Mangifera Analytics offers actionable market intelligence on the Brazilian energy sector. Through in-depth reports and comprehensive datasets, our network of local experts provides unrivaled insider knowledge and up-to-date information to provide investment teams and decision-makers the insight they need to succeed in this promising new era for renewable energy in Brazil.

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