



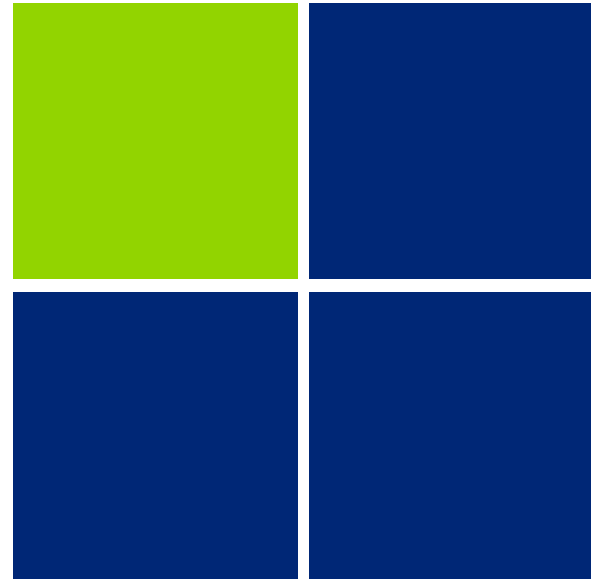
# Grid Parity: How Soon Could Renewables Compete Without Incentives and Other Support Mechanisms?

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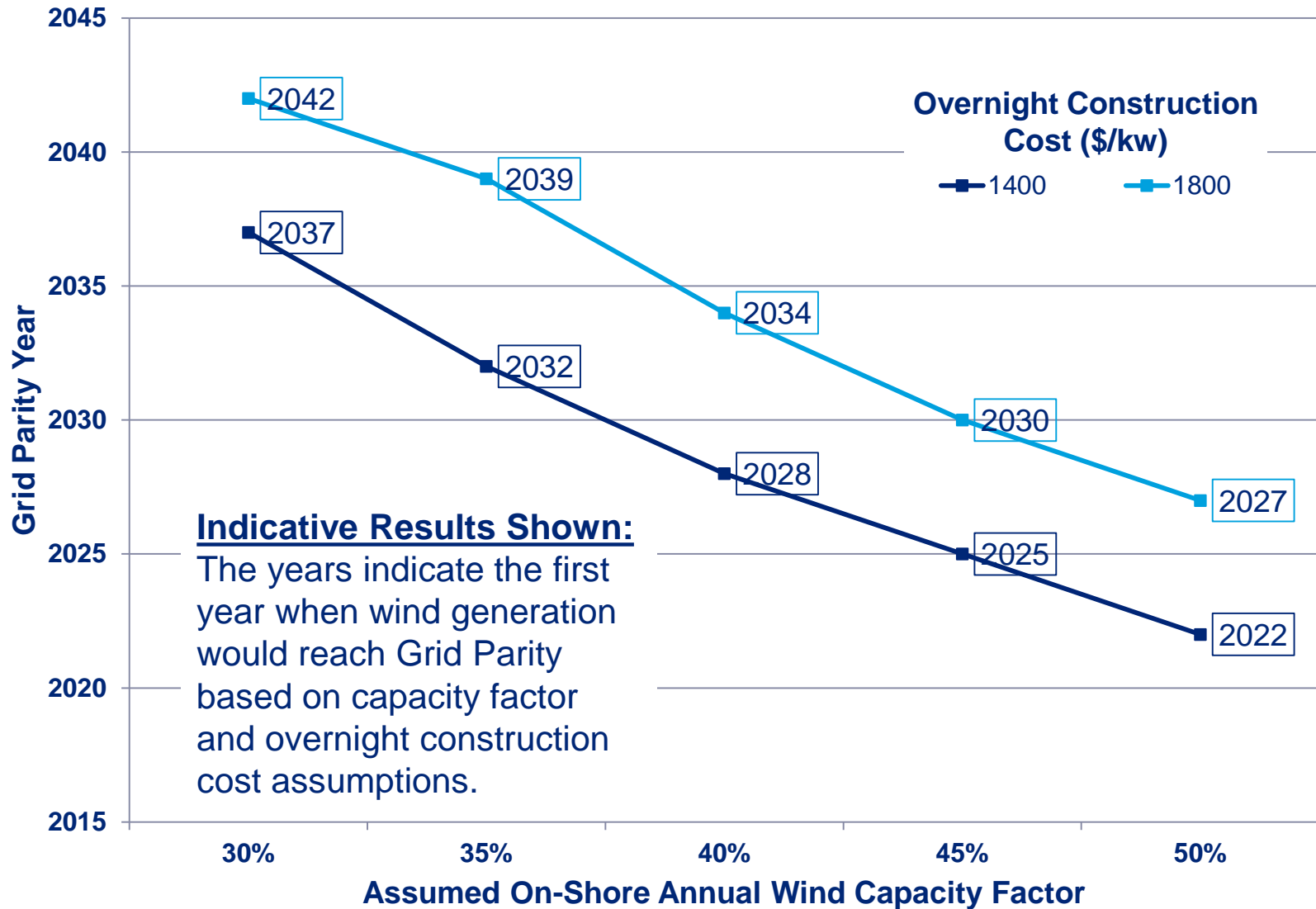
# Grid Parity: How Soon Could Renewables Compete Without Incentives and Other Support Mechanisms?

- Analysis of current trends in Renewable Energy (RE) economics indicates that the industry could soon be entering a stage where large-scale RE projects (in particular on-shore wind and utility-scale solar photovoltaic) could become economically viable without any or most forms of federal or state subsidy support such as Production Tax Credits (PTC) or Investment Tax Credits (ITC), and Renewable Energy Credits (REC).
- At this point they would be able to compete with conventional generation sources on their own or achieve “Grid Parity”.

# Market and Industry Factors

- Declining renewable energy CAPEX costs
- Improving renewable energy operating efficiency
- Rising natural gas prices (*eventually*)
- Rising regional wholesale power market prices

# On-Shore Wind Energy Economic Frontier



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