

# Corporate solar interest surges as companies exit pandemic and turn focus to ESG issues

July 15, 2021

Pittsburgh, PA

## Renewables Law Blog

(By [Bruce Rudoy](#))



A financial rebound is in progress as COVID-19 becomes less of a driver to business and our general livelihood, and it is one that is apparent in the renewables sector. Experts see growth fueled not just by pent-up demand, but also growing attention to ESG considerations and renewables' financial advantages.

Corporate merger and acquisition activity was up significantly with solar developers expanding their pipelines, oil and gas companies diversifying into renewables, and funds buying up renewable assets.

According to Mercom CEO Raj Prabhu, Solar project acquisitions reached a record high in the second quarter, he said, with more than 24.7 GW of capacity acquired. That total came from 34 corporate M&A deals, compared to 20 in the first quarter of this year and 13 in the second quarter of 2020.

In the first half of 2021, solar project acquisitions reached 39.3 GW, more than doubling the 14.7 GW acquired in the first half of 2020.

Venture capital funding in particular has experienced a strong recovery. Funding for VC was 680% higher in the first half of the year, compared with last year, with \$1.6 billion raised in 26 deals, according to Mercom.

Renewables have been rapidly gaining market share for years. In 2020, the United States saw its fifth consecutive year of renewables consumption growth, reaching a record high of 12% of the country's total consumption, [according to the U.S. Energy Information Administration](#) (EIA).

EIA estimates solar energy accounted for about 11% of last year's renewable energy consumption, and "overall, 2020 U.S. solar consumption increased 22% from 2019."

By comparison, the agency said fossil fuel consumption fell last year by 9% to ["the lowest level in nearly 30 years."](#)

The trend is represented globally as well. The International Energy Agency's (IEA) most recent [market update](#), released in May, found renewable electricity capacity added in 2020 rose by 45% to 280 GW.

"Solar PV installations will continue to break new records, with annual additions forecast to reach over 160 GW by 2022," [IEA said in its analysis](#). "That would be almost 50% higher than the level achieved in 2019 prior to the pandemic, affirming solar's position as the 'new king' of global electricity markets."

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