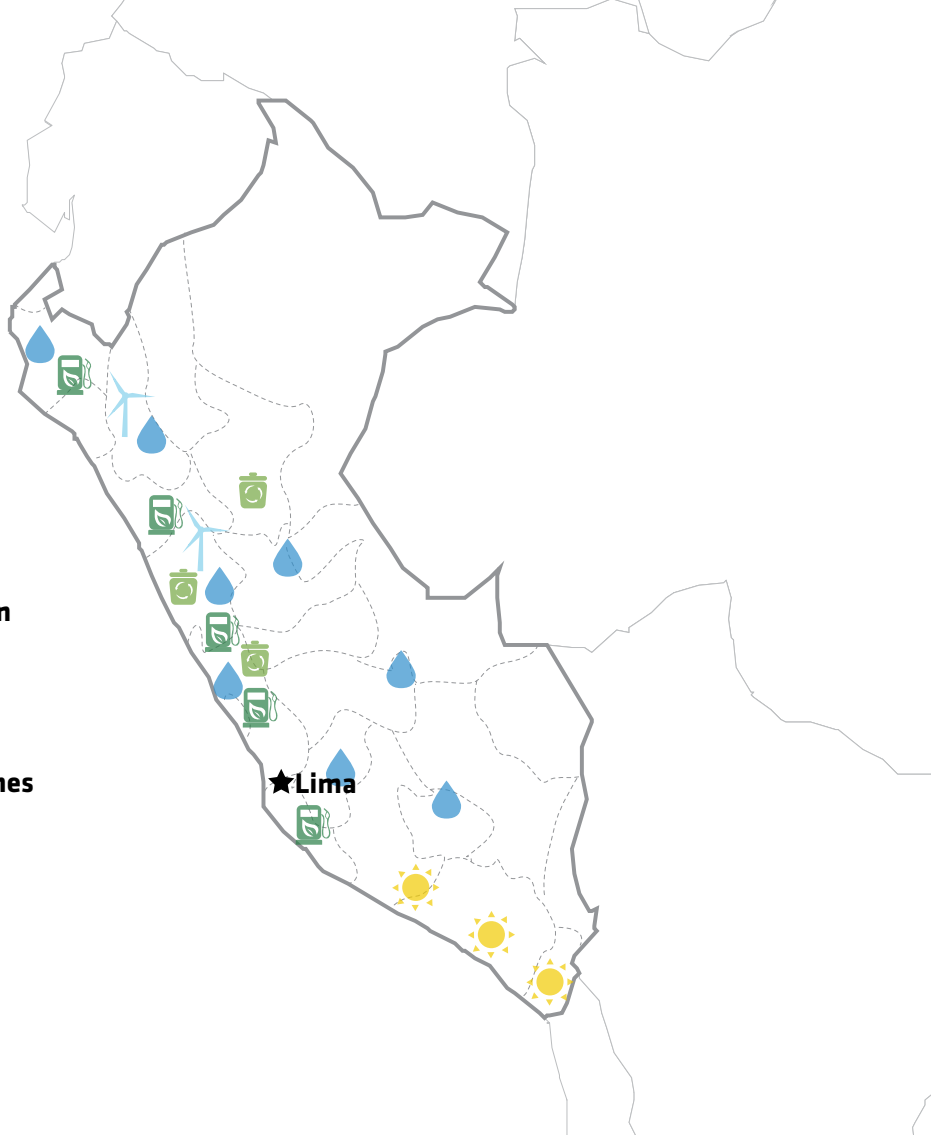


SOUTH AMERICA



Peru

GDP: **\$202.9bn**
 Five-year economic growth rate: **6.4%**
 Population: **30.8m**
 Total clean energy investments, 2009-2014: **\$3.9bn**
 Installed power capacity: **10.8GW**
 Renewable share: **9.8%**
 Total clean energy generation: **4.3TWh**
 Top energy authority: **Ministry of Energy and Mines**



OVERALL RANKING	OVERALL SCORE
2014 2015	2015
11 16	1.44

PARAMETER	RANKING	SCORE
I. Enabling Framework	18	1.34
II. Clean Energy Investment & Climate Financing	16	0.70
III. Low-Carbon Business & Clean Energy Value Chains	21	2.11
IV. Greenhouse Gas Management Activities	09	2.49

SCORE SUMMARY

Peru's 1.31 overall score in *Climatescope* 2015 placed it 16th among all countries, down from 11th position in 2014, when it scored 1.50.

Peru's year-over-year decline was based in part on deterioration in the Clean Energy Policies Indicator of Enabling Framework Parameter I. It also saw a minor decline in the Growth Rate of Clean Energy Investments Indicator of Clean Energy Investment and Climate Financing Parameter II.

On Enabling Framework Parameter I, Peru finished 18th, down eight places from 2014, with a 2015 score of 1.34. Its 2014 score was 1.40.

On Clean Energy Investment and Climate Financing Parameter II, Peru scored 0.70, down from 0.88 in 2014. Its Parameter II ranking was 16th in 2015 versus 12th in 2014.

On Low-Carbon Business & Clean Energy Value Chains Parameter III, Peru's 21st-place finish in 2015 was two places above its 2014 position. The country's 2015 and 2014 Parameter III scores were 2.11 and 2.05, respectively.

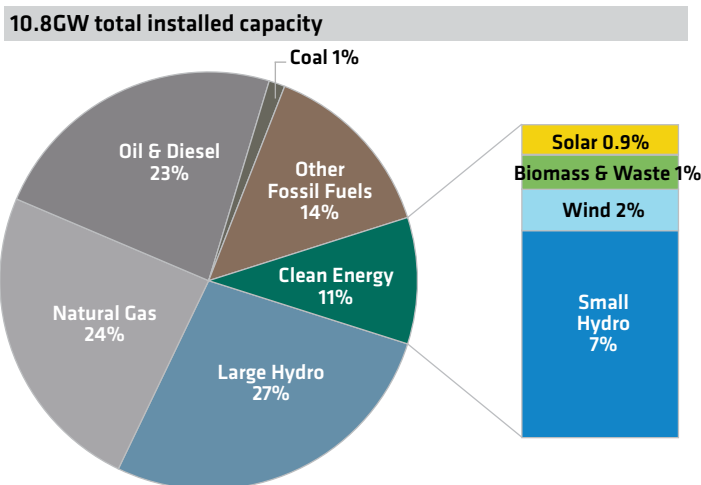
On Greenhouse Gas Management Activities Parameter IV, Peru maintained its ninth-place rating of 2014. Its 2.49 2015 score is a slight improvement over 2014's 2.46.

For further information, access www.global-climatescope.org/en/country/peru

OVERVIEW

Technology-specific auctions have been one of the key drivers of non-conventional renewable deployment in Peru, helping to promote diversification of the country's matrix through contract awards for biomass, small hydro, solar and wind plants. The country also has a modest clean energy generation target and a biofuel blending mandate.

INSTALLED POWER CAPACITY BY SOURCE, 2014 (%)



Source: Bloomberg New Energy Finance, MINEM, Osinergmin, COES SINAC

In 2014, Peru generated 9% of its total 45TWh from renewable sources (biomass, wind, solar and small hydro), large hydro accounting for 41%, natural gas accounting for 27%, and coal, oil and diesel for the rest. To promote renewables, Peru offers several policy incentives, including priority dispatch, 20% accelerated depreciation and technology-specific auctions for renewables. Because of the country's hydro and gas resources, intermittent clean energy sources are usually only contracted through the regular auction system.

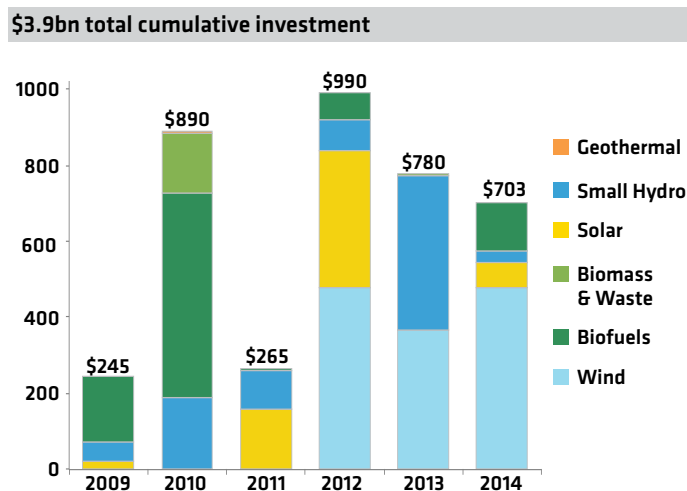
KEY POLICIES

Energy Target	Renewable power consumption was to reach 5% of total by 2013. Target was achieved in 2010 and has not been revised.
Auction	The national energy and mining investment regulator has held three auctions, contracting a total of 58 projects from small hydro (526MW), wind (234MW), solar (100MW) and biomass & waste (31MW) sources for 20 years.
Biofuels	Mandate 5% biodiesel blend and a 7.8% ethanol blend.
Tax Incentives	Accelerated depreciation of up to 20% for renewable energy generation investments in machinery and equipment.
Utility Regulation	Peru's grid operator is required to guarantee priority dispatch for electricity generated from renewable sources.

Source: Bloomberg New Energy Finance Policy Library

Introduced in 2008, the auctions have been key in spurring project development. The Ministerio de Energia y Minas (MINEM) every two years evaluates the need for auctions, and the Organismo Supervisor de la Inversión en Energía y Minería (OSINERGMIN) conducts the tenders.

ANNUAL INVESTMENT IN CLEAN ENERGY, 2009-2014 (\$m)



Source: Bloomberg New Energy Finance

Notes: Total investment includes: Asset Finance, Corporate Finance and Venture Capital / Private Equity Commitments.

Peru has held three renewable on-grid auctions and one for off-grid solar capacity. In the on-grid tenders, OSINERGMIN has awarded power contracts to 58 projects for a total of 882MW from biomass, small hydro, solar and wind sources. Due to the off-grid auction, 500,000 off-grid solar PV systems are expected to be in operation in 15,000 remote locations in the country by December 2018. A fourth renewable energy on-grid auction was launched in September 2015. The auction will contract 450GWh from small hydro projects up to 20MW in size and another 1,300GWh of biomass, wind and solar PV.

The government submitted its Intended Nationally Determined Contributions (INDC) in advance of the climate negotiations in Paris. Contributions include renewable energy and greater emphasis on solar energy.