

Normalized index

November 2023 | 62 edition

RECAI uses various criteria to compare the attractiveness of renewables markets, such as the magnitude of the development pipeline, that reflect the absolute size of the renewable investment opportunity. Hence, the index naturally benefits large economies. However, by normalizing with the gross domestic product (GDP) we can see which markets are performing above expectations for their economic size.

In this way, the normalized index helps reveal ambitious plans for energy transition in smaller economies, creating some attractive alternatives for potential investors.



Normalized ranking	Market	Previous ranking	Movement vs. previous	RECAI ranking	Normalized ranking	Market	Previous ranking	Movement vs. previous	RECAI ranking
1	Denmark	3	▲	9	21	Canada	21	●	11
2	Morocco	2	●	25	22	Honduras	23	▲	58
3	Greece	1	▼	18	23	Norway	25	▲	26
4	Australia	6	▲	5	24	Austria	26	▲	28
5	Chile	5	●	16	25	Taiwan	28	▲	24
6	Ireland	7	▲	12	26	Egypt	20	▼	31
7	Portugal	10	▲	22	27	Italy	31	▲	14
8	Netherlands	14	▲	10	28	Vietnam	36	▲	33
9	Finland	9	●	20	29	Philippines	24	▼	32
10	France	11	▲	4	30	US	30	●	1
11	Spain	13	▲	8	31	Tunisia	29	▼	55
12	Jordan	4	▼	45	32	Dominican Republic	35	▲	46
13	Germany	8	▼	2	33	Argentina	33	●	29
14	Poland	17	▲	15	34	China Mainland	34	●	3
15	Sweden	19	▲	17	35	Romania	47	▲	39
16	India	16	●	6	36	Kenya	27	▼	48
17	UK	12	▼	7	37	Bulgaria	41	▲	50
18	Israel	15	▼	23	38	Panama	39	▲	54
19	Kazakhstan	18	▼	36	39	Peru	40	▲	41
20	Belgium	22	▲	21	40	South Africa	32	▼	37

0 Morocco

Morocco is forecast to bring more than 1GW of renewables capacity online every year between 2023 and 2027, while the US\$20b Xlinks Morocco-UK Power Project interconnector is on track for commissioning during 2030.

-2 Greece

Greece is showing good progress toward 2030 and 2050 targets. It has recently surpassed 11GW of installed renewables capacity, with 1.7GW of green hydrogen electrolyzers in planning.

+1 Ireland

A new memorandum of understanding with the UK to support offshore renewable energy and increase interconnectivity is expected to improve Irish energy security and reduce intermittency risk.

+3 Portugal

Portugal's new 2030 target of 85% renewables generation has led to huge growth in forecast capacity in solar, wind and hydrogen electrolyzers, reducing reliance on gas.

See page 2 for normalized RECAI methodology.

Normalized index methodology

With the largest global markets tending to top the core RECAI, there are many smaller markets where renewable energy is growing rapidly and becoming highly attractive. By dividing a market's RECAI score by logarithm of the average of the three preceding years' GDP to produce a "normalized score," the index identifies those smaller renewable energy markets that perform best on the core RECAI pillars of energy mix, government support, project delivery and natural resource. Removing a market's economic size showcases those that are efficient in terms of their size and the most attractive for investors. The normalized index also highlights larger markets that score well in the core RECAI but could be doing more to support the green transition.



EY | Building a better working world

EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com.

© 2023 EYGM Limited.

All Rights Reserved.

EYG no. 010558-23Gbl

BMC Agency
GA 19318140

ED None



In line with EY's commitment to minimize its impact on the environment, this document has been printed on paper with a high recycled content.

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, legal or other professional advice. Please refer to your advisors for specific advice.

The views of third parties set out in this publication are not necessarily the views of the global EY organization or its member firms. Moreover, they should be seen in the context of the time they were made.

ey.com