



Financing the energy transition: Together we can do it

Düsseldorf, 04 December 2025 – The energy transition requires enormous investments – including at the municipal level. Municipal utilities need to modernise their networks and heating systems. However, they often lack the necessary capital. “Cooperation shows a way forward”, says Patrick Lemcke-Brasemann, Co-CEO of the aream Group.

The energy transition presents Germany with a task that will take a century to complete: moving away from natural gas and fossil fuels to a climate-friendly energy supply with heat pumps, district and local heating, and renewable energies. This requires the comprehensive modernisation or renewal of electricity and heating networks, many of which date back to the 1970s and 1980s. An analysis conducted by PwC on behalf of KfW estimates the necessary investment and financing requirements of municipal energy suppliers for electricity grids and heating infrastructure at a total of around €535 billion by 2045.

The suppliers therefore need significantly more equity capital for successful financing. At the same time, according to the study, the necessary equity injections are likely to pose considerable problems for municipal utilities in particular, as local authorities, as the main shareholders, are already facing a variety of financial challenges. Many municipal utilities are therefore reaching their limits: only around a quarter of the required funds can be covered from their own resources. Around ten percent could be cushioned by subsidy programmes – the remaining €346 billion currently represents a gaping financing gap. Small and medium-sized municipal utilities that are not affiliated with large utilities such as RWE or Thüga are particularly affected.

“Partnerships between municipal companies and institutional investors are therefore becoming increasingly important as a solution”, explains Lemcke-Brasemann. They combine the regional proximity and operational experience of municipal utilities with the financial and project expertise of private partners. For example, aream is currently implementing a photovoltaic project with a capacity of around twenty megawatts with a municipal utility in Lower Saxony, and a joint storage project is in the planning stage.

“Such collaborations are genuine win-win models”, explains Lemcke-Brasemann. The municipal utility can implement projects in a capital- and risk-efficient manner while strengthening regional value creation. aream, in turn, benefits from a locally based partner who is very familiar with the regulatory and technical requirements on site. “Landowners and local authorities also benefit: they are driving forward the energy transition together with players from their region”, says Lemcke-Brasemann.

“The challenges of the energy transition are systemic: they affect electricity, heating and water infrastructure equally”, emphasises Lemcke-Brasemann. “Only through new forms of cooperation can the enormous financing requirements be met.”

About the aream Group

aream Group, founded in 2005, is an investment and asset manager for institutional investors and industrial clients with a focus on sustainable infrastructure in the renewable energy sector. With its three divisions Fund and Asset Management, Project Development and Operation Management, aream covers the entire value chain for renewable energy investments. With a transaction volume of more than 2.5 billion euros,



aream is one of the leading asset managers in this market, and its own portfolio of plants generates around 40 million euros worth of green electricity per year. Since 2008, aream has produced more than one billion kWh of green electricity. As part of the growth strategy, several solar and wind parks are to be realized or acquired in the coming years. Through its own project development alone, aream currently has a long development pipeline with great potential. Further information: www.aream.de.

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