

More obstacles for renewables than ever before

A commentary by Markus W. Voigt, CEO of aream Group.

Düsseldorf, 06. December 2022 - It is a federal government with green participation that is proving to be the biggest brake on the expansion of renewable energies. Regardless of the area, a lot has been announced, but almost nothing has been specified. This creates uncertainty in an industry that would like to invest, but needs a clear framework to do so. And the German government has failed to provide this framework.

When it took office, it was already communicated that obstacles to the expansion of renewable energies should now be quickly removed. The Easter package at least indicated where action should be taken. But little has happened since then. Permit times have barely changed, the amount of bureaucracy has not been reduced, and there has been no push for renewables.

The pattern repeated itself in the discussion about skimming off excess or windfall profits. The industry was ready to go along with this, hoping for quick and clear rules like in Spain. And they were disappointed once again. The negotiation process dragged on until the very end, and although the draft law has been approved by the cabinet, nothing is clear yet. How and when which windfall profits will be skimmed off remains an open question.

Yet the mood in the renewables sector is one of great optimism. The companies want to reinvest the profits generated, and would thus also ensure a rapid and smooth transformation of the energy supply. But without clear framework conditions, their pockets will remain closed, or at least only be opened half as wide as would be possible.

There, the high price of electricity is a better incentive than the entire policy. And: The expansion of supply will lead to a significant reduction in energy costs in Germany in the future! In light of the high prices, more and more companies are also investing in their own wind or solar farms, as well as in storage systems. Many companies are following their target paths to climate neutrality - regardless of progress and setbacks in politics. After all, it's not just the absolute cost to companies of generating their own electricity that matters. It's about predictability and clarity.

It is regrettable that politics cannot set a predictable and clear framework. When, if not now, is the optimal time to drive large-scale renewables expansion? But the governing parties are obviously not managing to get their way within an encrusted bureaucracy, no matter how good the will may be at the federal level. The fact that the impetus of the market via high electricity prices triggers more than the good will of the traffic light coalition should give those in power food for thought. Or maybe not, because if the market already regulates it, maybe the state doesn't want to make any more effort?



More information: www.aream.de.

About aream

The aream Group is a fully integrated investment and asset manager for institutional investors with a focus on sustainable infrastructure in the renewable energy sector, which includes wind and solar power, grids and storage technology. In this context, aream is represented along the entire value chain from project development to plant operation. With a transaction volume of more than EUR 1.5 billion, the company has been covering the entire spectrum of asset management services for over 15 years and ensures the commercial and technical optimization of the assets. In addition to classic project investments in clean energy, aream also offers investment opportunities in climate-tech companies: directly or via private equity solutions. aream combines investment expertise with technical and commercial know-how and ensures sustainable performance with stable distributions, returns and value growth through a structured investment and risk management process.

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