

## Renewable Energies: US Investments not yet Attractive

*Düsseldorf, January 18<sup>th</sup> 2021 – The new U.S. administration under President Joe Biden is starting out with big plans for sustainability. The Democrats also want to drive forward the expansion of renewable energies. "A lot of money will flow into this area, but for European investors the segment is not attractive, at least not yet", says Markus W. Voigt, CEO of the aream Group.*

This is mainly due to the very different tax and administrative frameworks. On the administrative side, "While in Europe, project development is the core of investments in renewable energies, in the U.S. it's much more about marketing the electricity", says Voigt. The legal hurdles for planning, building and operating the plants are much higher in Europe, and a lot of effort has to be put into development here. This also ensures that investments differ, especially in this area. "Ultimately, the quality of project development often determines the long-term return on projects", says Voigt.

In the U.S., these hurdles are significantly lower in terms of the effort required in the project development phase. "On the other hand, in the U.S., the marketing of the electricity is much more costly", Voigt says. "While in the European countries the electricity finds buyers very quickly, in the U.S. sales really have to be made." Since municipalities can also become insolvent in the U.S., the effort required for credit checks and the administration of purchase agreements is also significantly higher.

In addition, there are different tax requirements. "In the U.S., many investments in renewables are subsidized by generous tax write-offs", Voigt says. "Only those who can also take advantage of the corresponding tax benefits in the U.S. have an advantage here." It is, however, certainly possible to structure projects in a way that allow the use of the tax advantages, he said. "But that requires effort, which is usually not in proportion to the possible additional return, especially for smaller projects", says Voigt.

Nevertheless, the U.S. market is stirring up investor appetites. "Of course, trillions are now being put into motion on the other side of the Atlantic", Voigt says. "And anyone with a strong presence in the renewables business in Europe would want to be active there, too." Realistically, however, the environment does not currently allow for the development of projects there on a larger scale. "The returns are sobering, and on top of that, euro investors are adding dollar risk to their portfolios", says Voigt. Getting involved in existing projects would be one option. "But here again, additional dollar risk is hardly paid for by additional returns", says Voigt.

More Information: [www.arem.de](http://www.arem.de).

### **About aream**

The aream Group is a fully integrated investment and asset manager for institutional investors focusing on sustainable infrastructure in the renewable energy sector, including wind and solar power, grids and storage technology. aream is represented along the entire value chain from project development to the operation of the plants. With a transaction volume of more than 1.5 billion Euro, the company has covered the entire spectrum of asset management services for more than 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 CleanTech companies: directly or via private equity solutions. aream combines investment expertise with technical and commercial know-how and guarantees sustainable performance with stable distributions, returns and value growth through a structured investment and risk management process.

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