

Guarantees of Origin: Interesting Market Segment with Good Prospects for Investors

Düsseldorf, July 1st 2021 – The demand for green electricity is constantly increasing. To prove that this electricity comes from renewable energy sources, suppliers need certificates of origin, for which a separate market has developed. In the wake of the Corona pandemic, prices collapsed, but things are now climbing steeply again. "An interesting market segment is emerging here that opens up opportunities for investors", says Markus W. Voigt, CEO of the aream Group.

Efforts to effectively protect the climate are driving demand for electricity from renewable energy sources. But those who use green electricity also want to be sure that it really is "green". Here, guarantees of origin create transparency by certifying the electricity purchased and consumed. "For every megawatt hour of electricity generated from renewable energy sources, a so-called GO (Guarantee of Origin) is generated", explains Voigt.

In the past, these certificates were often marketed directly with the electricity. For several years, however, a separate market with its very own rules has developed here throughout Europe. "While these GOs used to be just an accessory, today they are definitely an interesting option in marketing", says Voigt.

In the wake of the Corona pandemic, prices for GOs declined, but a recovery has been evident for several weeks. Between the end of April and the beginning of June, for example, certificates for hydropower from Scandinavia (Nordic Hydro), which reflect the trend of all guarantees of origin, became more expensive.

The prices of certificates of origin are also likely to increase significantly in the coming years. This is because demand for green electricity with certified origin is already rising much faster than supply. "Although prices such as the around seven euros/MWh achieved in 2018 for guarantees of origin from wind power plants in the Netherlands will probably no longer be reached but for at least the next ten years, we're going to see a major shortage that will cause certificate prices to skyrocket", Voigt says.

More information: www.arem.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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