

## **Municipal utilities and energy: a mammoth task**

*Düsseldorf, 10. September 2024 – In the coming years, municipalities and their municipal utilities will not only have to manage the energy transition, but also the heating transition. “The times when municipal utilities transferred profits to their municipalities on a grand scale are over for the time being”, says Markus W. Voigt, CEO of the aream Group. “On the contrary, the need for investment now often has to be met by the municipalities - often with the help of private investors.”*

The challenges facing municipalities and municipal utilities vary greatly. “Municipalities with more than 100.000 inhabitants must have their heating supply concepts ready by 2028, while smaller ones have two years longer”, says Voigt. In addition, the expansion of district heating networks, for example, has progressed very differently. “There is no simple solution for everyone; each municipality has to find the best way forward”, says Voigt.

On the one hand, the reliability of the energy and heat supply must be guaranteed, but on the other hand, the costs must not overburden the citizens. “Many municipal utilities are strapped for cash and are open to partnerships”, says Voigt. “And that applies to both renewable energy and district heating projects.” Energy supply projects from renewable sources are easy to calculate, and there are already many ongoing projects and experience in this area. “Particularly important for municipal utilities are those private players who not only have expertise in project development, but also in the structuring and financing of projects”, says Voigt.

The future revenue situation for district heating projects is much more difficult to assess. “Not only does the energy have to be provided here, but often a completely new infrastructure also has to be created”, says Voigt. “The investment sums are often much higher. In addition, there are uncertainties in planning procedures in urban areas and difficulties in estimating whether the large heat consumers will remain loyal to the location or move away.”

It is estimated that municipal utilities in Germany will need to invest an additional 600 billion euros by 2030 for the energy transition alone. “Although heat planning is mandatory, implementation is not scheduled”, says Voigt. “This opens up scope for long-term investment partnerships with the private sector.”

### **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.arem.de](http://www.arem.de).

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