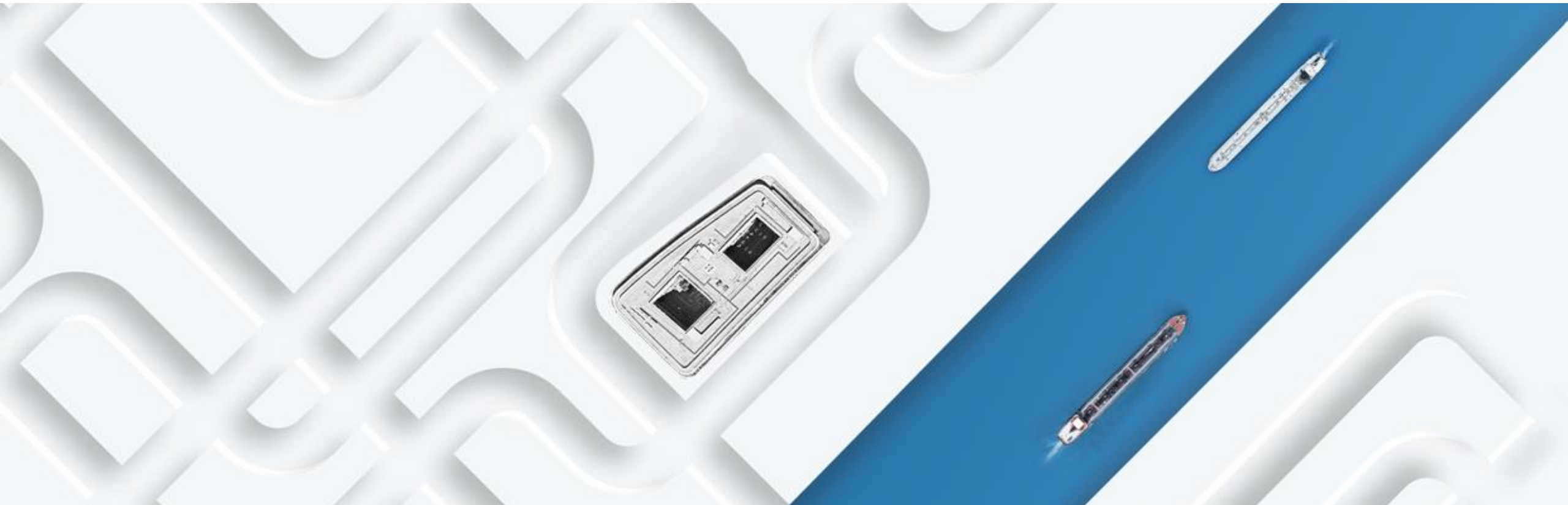


Trends in Financing Onshore Wind Energy

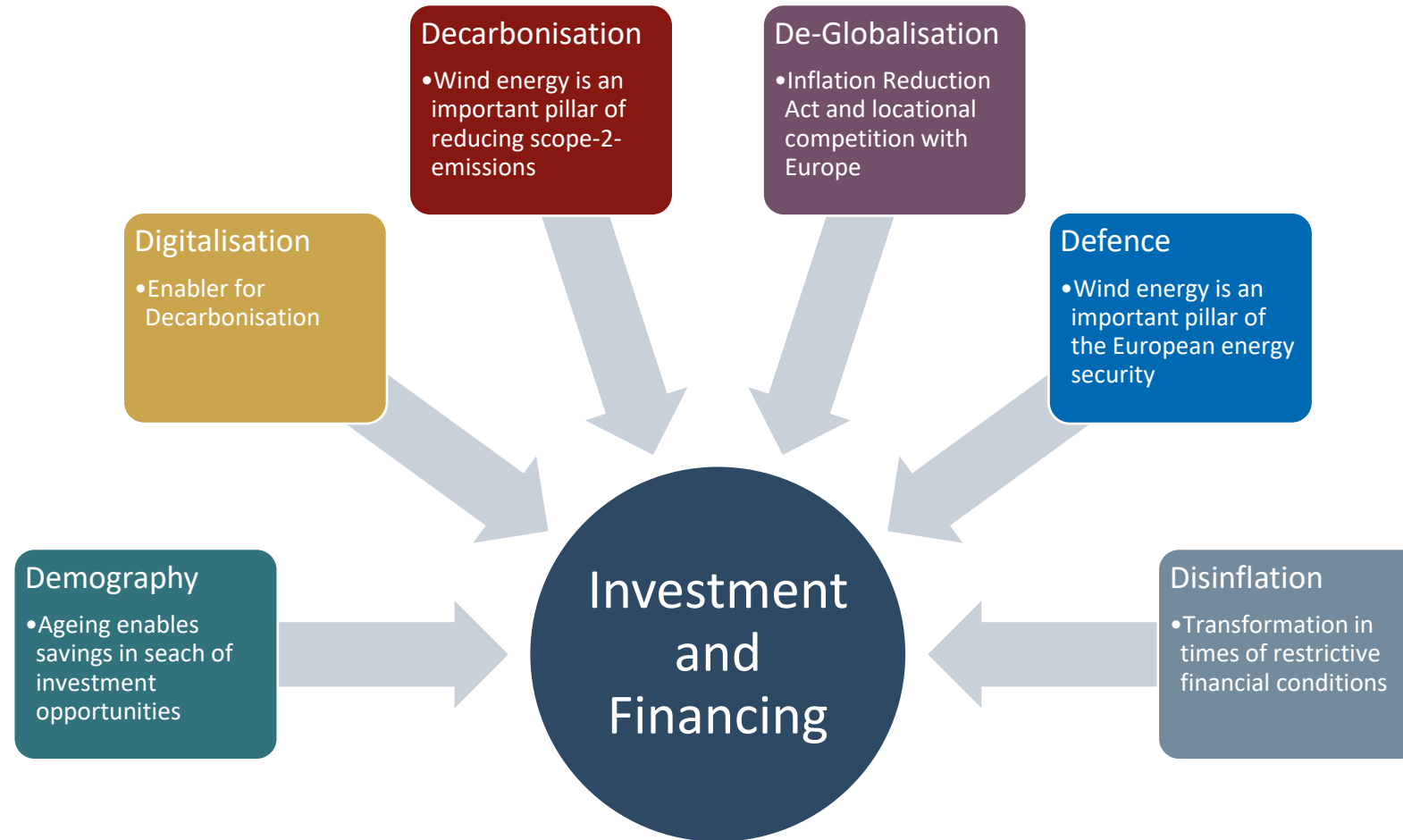
Dr. Markus Demary, German Economic Institute



1

Financing in Times of Global Megatrends

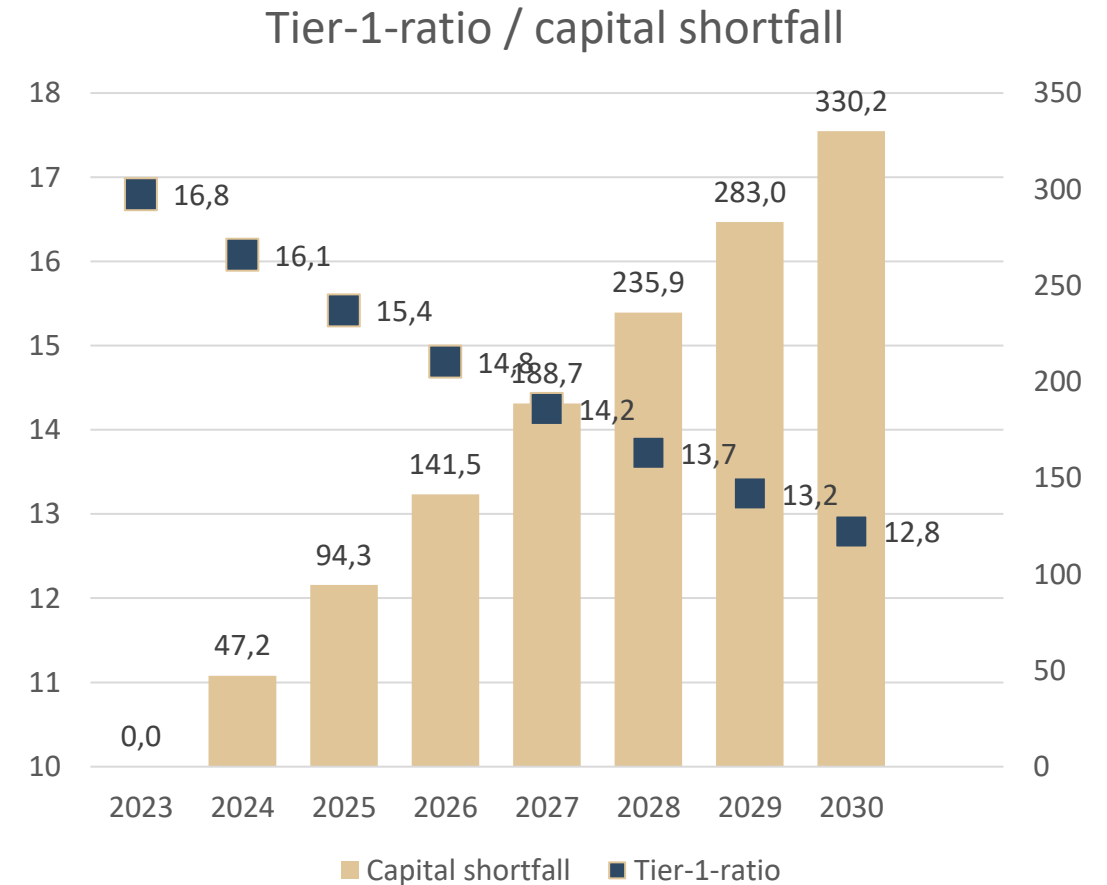
Financing im Times of Global Megatrends



Bank finance can reach limits during transformation

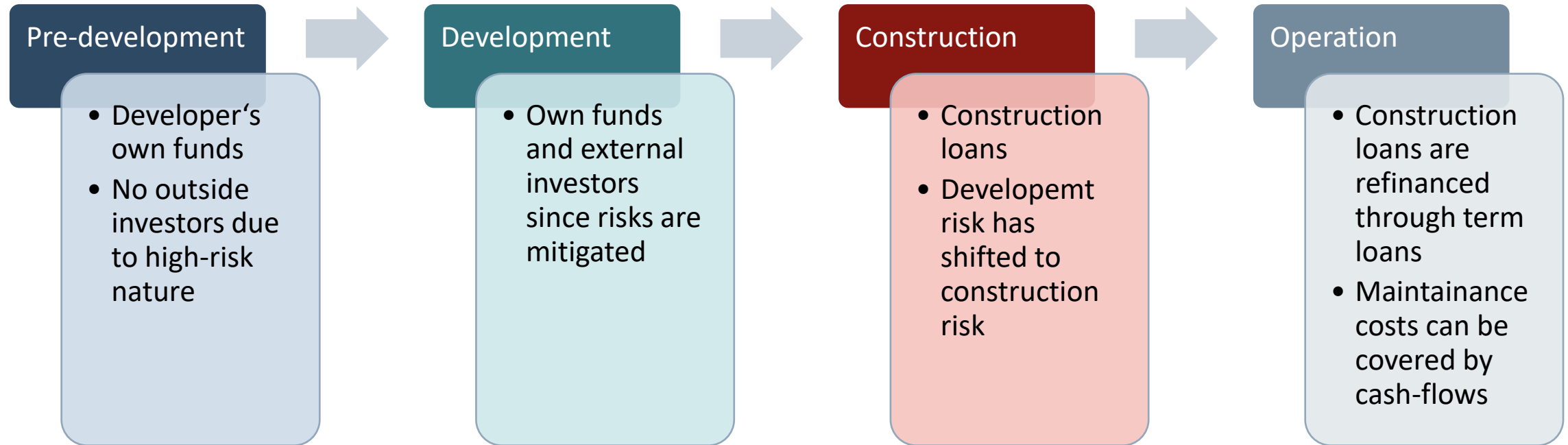
Development of bank capital ratio or needed capital to keep capital ratio constant

European Union	Model parameters
Tier-1-Ratio	16.8 Percent
Tier-1-Capital	1 054.3 Bill. Euro
Risk-Weighted Assets	6 275.5 Bill. Euro
Yearly needed investments in decarbonization	
Industry	52.7 Bill. Euro
Transport	231.9 Bill. Euro
Buildings	184.5 Bill. Euro
Energy	437.4 Bill. Euro



Quellen: Own calculations based on BDI-BCG-Study, Deutsche Bundesbank, ECB, WEF, OECD, GCEC, McKinsey, Allianz Trade, Prognos, EWI

Financing Needs During the Life-Cycle

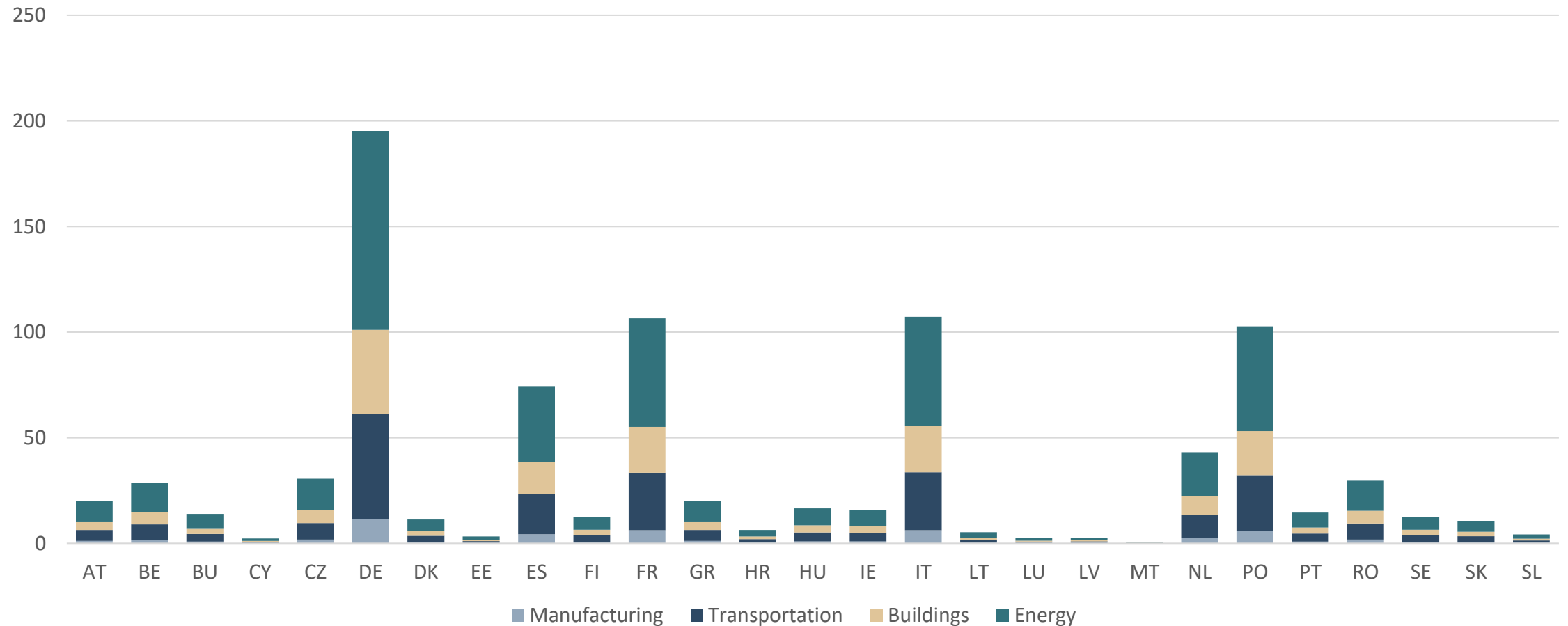


2

Cross-Country Differences in Investment in Decarbonisation and Wind Energy

Needed Investments in Decarbonization

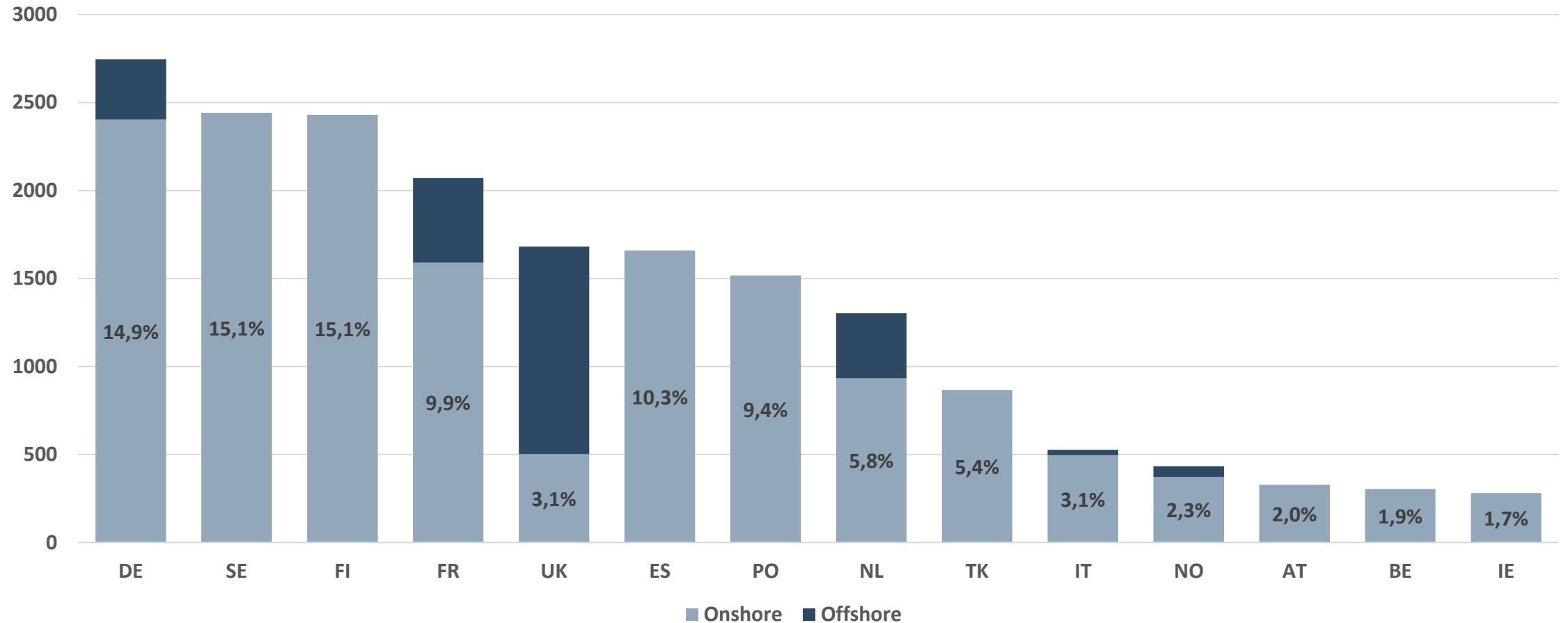
In Billion Euro per year until 2050



Source: own calculations based on WEF, OECD, GCEC, McKinsey, Allianz Trade, Prognos, EWI

New onshore and offshore wind installations

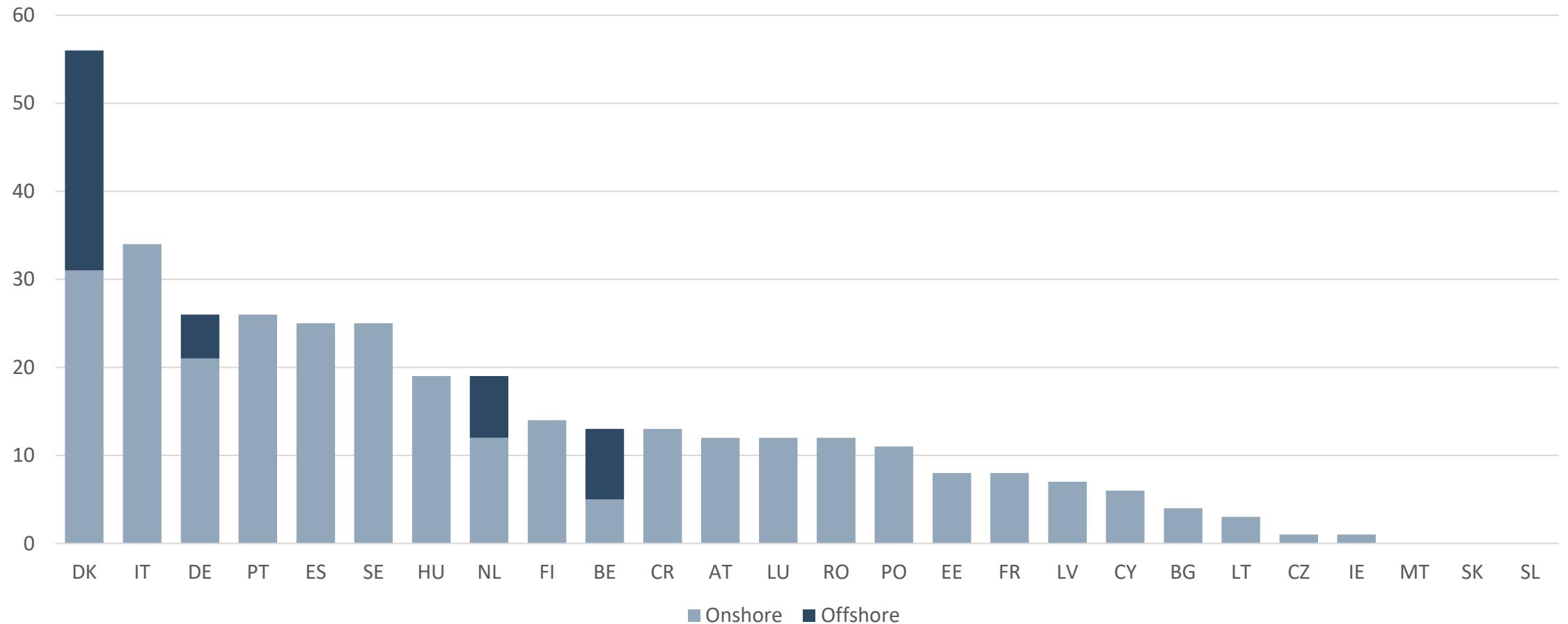
New installations (MW)



Source: Wind Europe

Share of wind in power mix in 2022

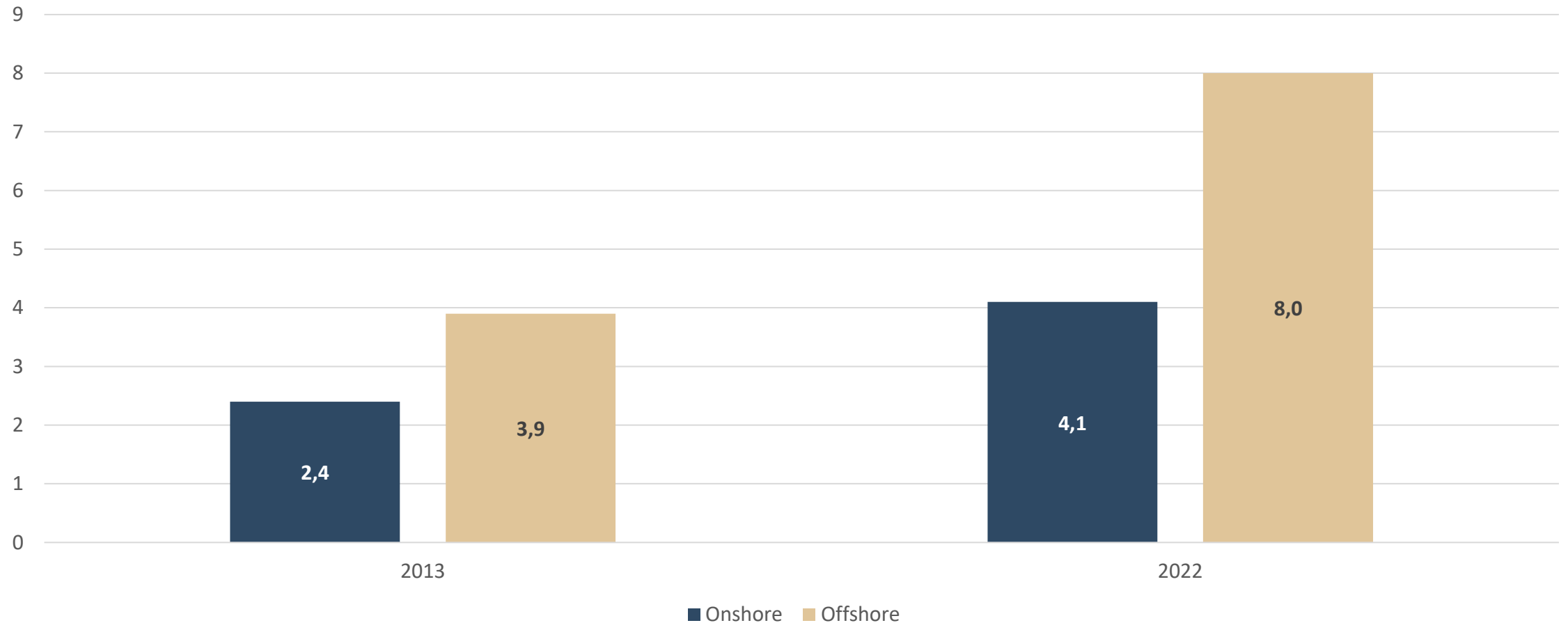
In percent



Source: Wind Europe

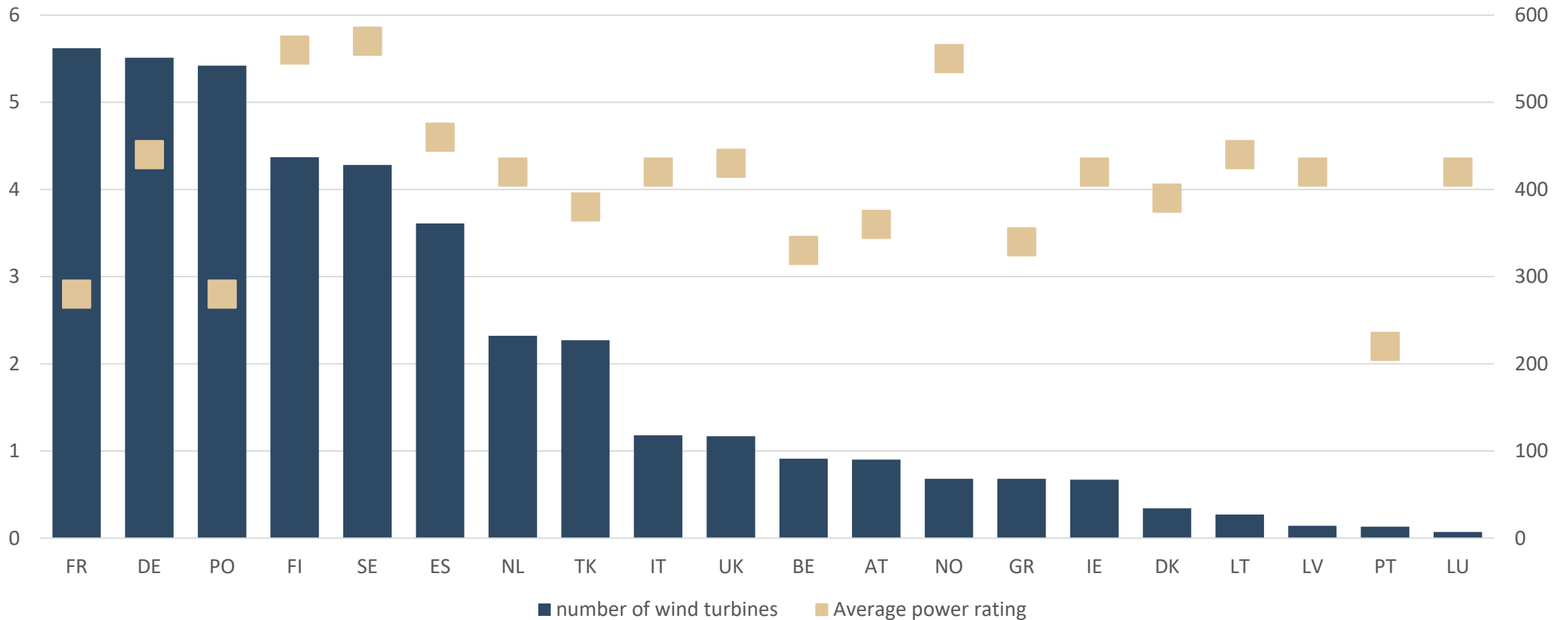
Average power rating of installed turbines

Turbine power rating (MW)



Source: Wind Europe

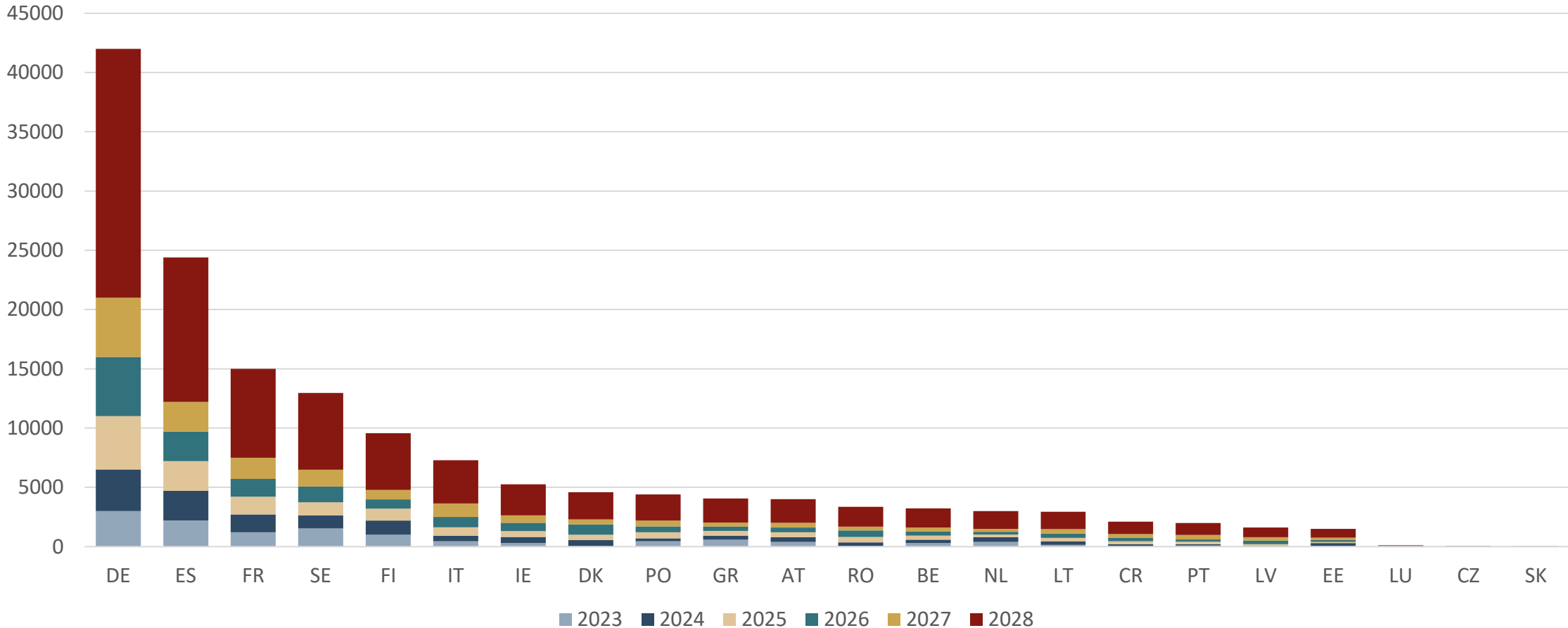
Number of turbines installed in 2022



Source: Wind Europe

Expected new onshore installations

MW

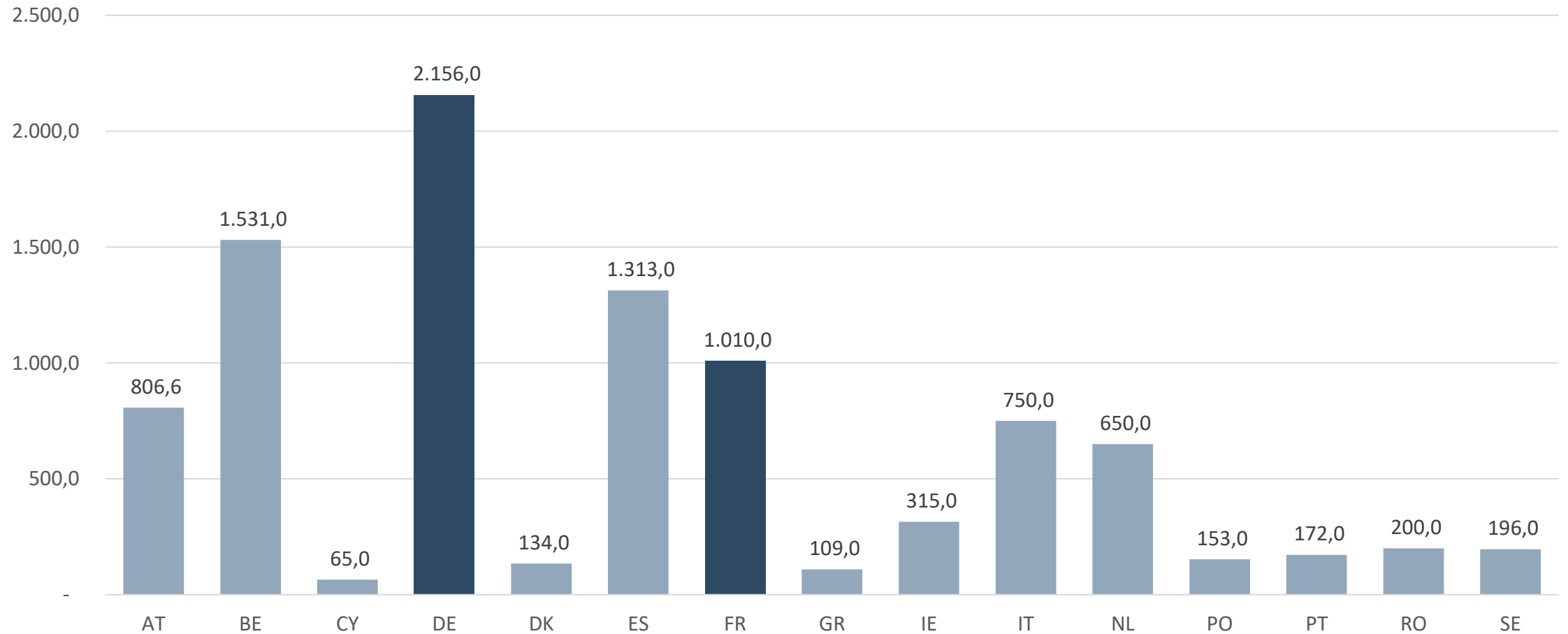


Source: Wind Europe



EIB-Funds Used for Investments in Wind Energy

In Million Euro

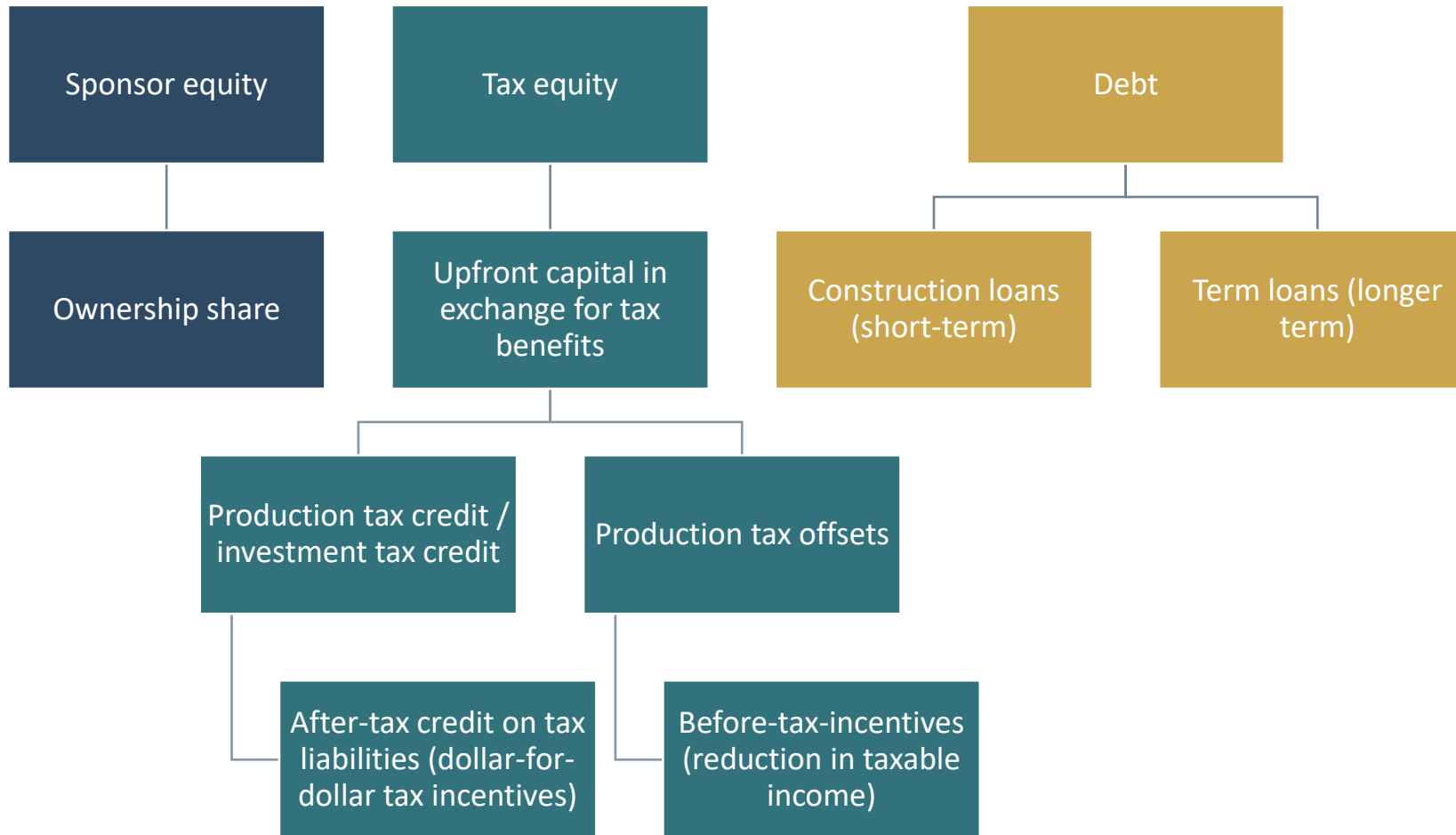


Source: Own calculations based on EIB data

3

Is the US ahead of Europe in
Wind Energy Finance?

Financing Wind Energy in the USA



Source: National Renewable Energy Laboratory

US-Yieldco versus EU-ELTIF

US-Yieldco

- Portfolio of energy assets
- Ownership shares for the operations phase
- Limited taxation
- Long-term predictable cash-flows
- Promise of dividend growth

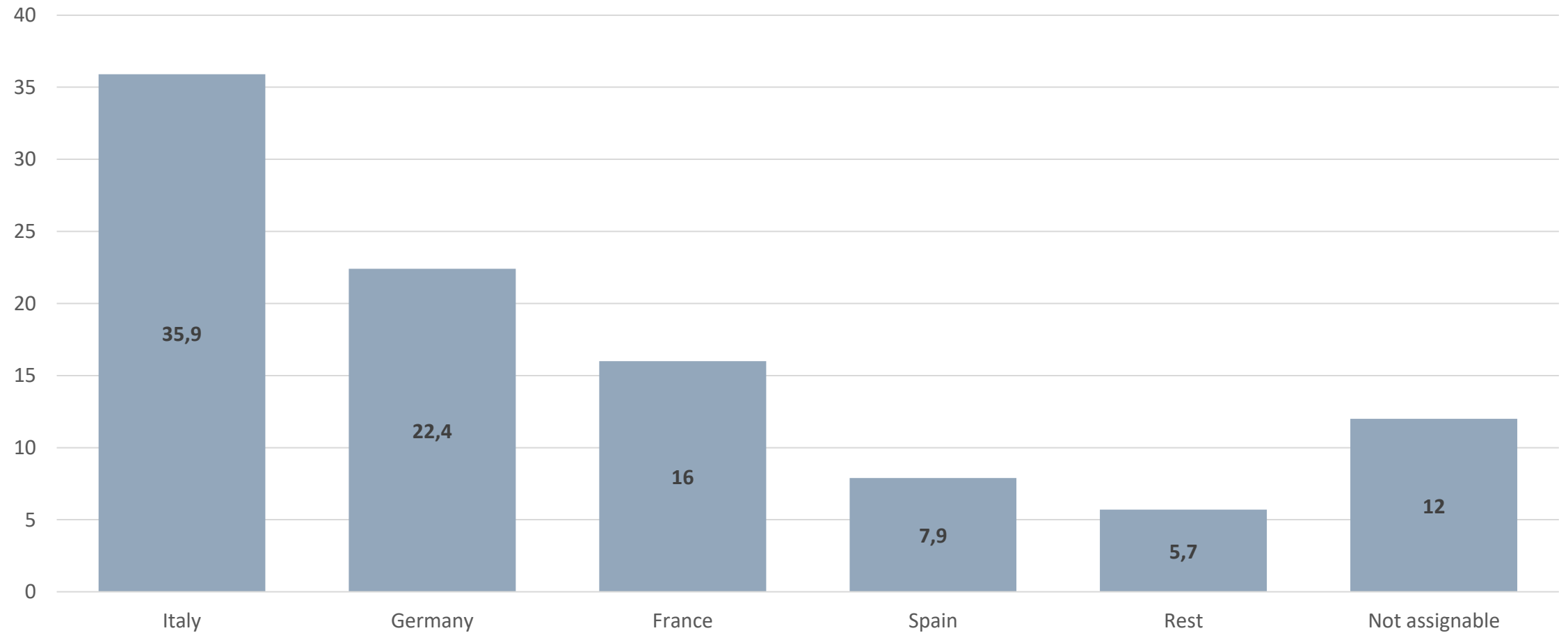
ELTIF 2.0

- Alternative Investment Fund
- Portfolio of infrastructure assets
- Ownership shares for the operations phase
- Limited taxation for old-age provisions
- Located in Luxembourg
- Long-term predictable cash-flows

Source: National Renewable Energy Laboratory, European Commission

Placement of ELTIFs for Retail Investors

Shares, in percent



Source; Scope



Dr. Markus Demary

Senior Economist

+49 (0) 221 4981 732

demary@iwkoeln.de

<https://www.iwkoeln.de/institut/personen/detail/markus-demary.html>

