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## Nicolas Rochon in the special issue Environment of Investir

Nicolas Rochon, President of RGREEN INVEST, responds to Investir along with 61 other decision-makers and personalities on their role in addressing environmental issues through an opinion column published in the special issue of the publication.



## **Financing today prepares the ground for tomorrow**

Participating in the development of the energy transition by enabling renewable energy producers to grow successfully should be the motto of any investor who wishes to participate in financing the sector. To play this accelerating role, it is necessary to provide the sector with a wide range of financial solutions. Developers who produce renewable energy from solar, wind, biomass, geothermal and even hydrogen need financing solutions adapted to the different stages of their development.

## **New paradigm**

Politics, institutions, finance and the public opinion have witnessed the energy transition, one of the greatest paradigm shifts in our history. In the context of the Grenelle, Fukushima or the Paris Agreement, we are finding ourselves at a crossroad: after a period of subsidizing purchases of renewable energy production, which has enabled the sector to structure itself in about ten years, we are entering a new era. It is now up to the market to take over, with the concerned SMEs having to structure themselves financially to support ambitious growth. Investors thus have a decisive role to play by injecting their savings and investment capacity into this industry.

For us, this means building stronger financial partnerships with entrepreneurs whom we have often worked in partnership with through the early stages of their development. In addition to providing them with debt and loan financing solutions, we support them in the longer term with hybrid financing solutions that include equity investments. Good prospects are opening up, with a slight increase in risk, but with a more attractive remuneration. This acceleration invites us to integrate an increasing number of skills to understand and anticipate the future challenges of this evolving economy.

And its challenges are daunting. Let us recall here the 3 objectives set by Europe for 2030: to reduce greenhouse gas emissions by at least 40% compared to 1990 levels, to increase the share of renewable energies to a minimum of 27% and to improve energy efficiency by at least 27%. Let us add the European Commission's long-term strategic vision for climate presented at the end of 2018, which requires limiting temperature increases and continuing efforts to maintain them at 1.5°, as provided for in the Paris Agreement.

## **In Europe and the regions!**

In short, the framework is set, the energy transition is underway. It is not only a shift towards efficient production of clean and renewable energy, but also a change in the production and distribution model of energy in general. Thus, this transition is taking place at the local level throughout Europe, which is exactly where our team sources the projects that investors' capital must be headed towards.

The timing is perfect because, according to Novethic, investor interest is high: the Paris Agreement has accelerated flows to European unlisted green funds, with around 10% of unlisted funds holding €57.6 billion in assets, half of which are devoted to renewable energy.