

Mongillo (Eos): ‘The era of incentives for renewable energies is over. Now we need less bureaucracy’

Date July 12 2020

Source Business Insider Italia

With the general push for green economy following the Covid-19 pandemic, the focus has shifted back to the industry of renewable energies. What are the prospects in the post-Coronavirus era? Business Insider discussed this with **Ciro Mongillo, CEO and founding partner of Eos Investment Management Ltd**, London-based alternative asset management Group focussing on the real economy, targeting professional and institutional investors. **What is the investors’ attitude towards renewable energies, and how has it changed, or could change with Coronavirus?**

“There has been an increase in awareness towards renewable energies among institutional investors, both Italian and international.

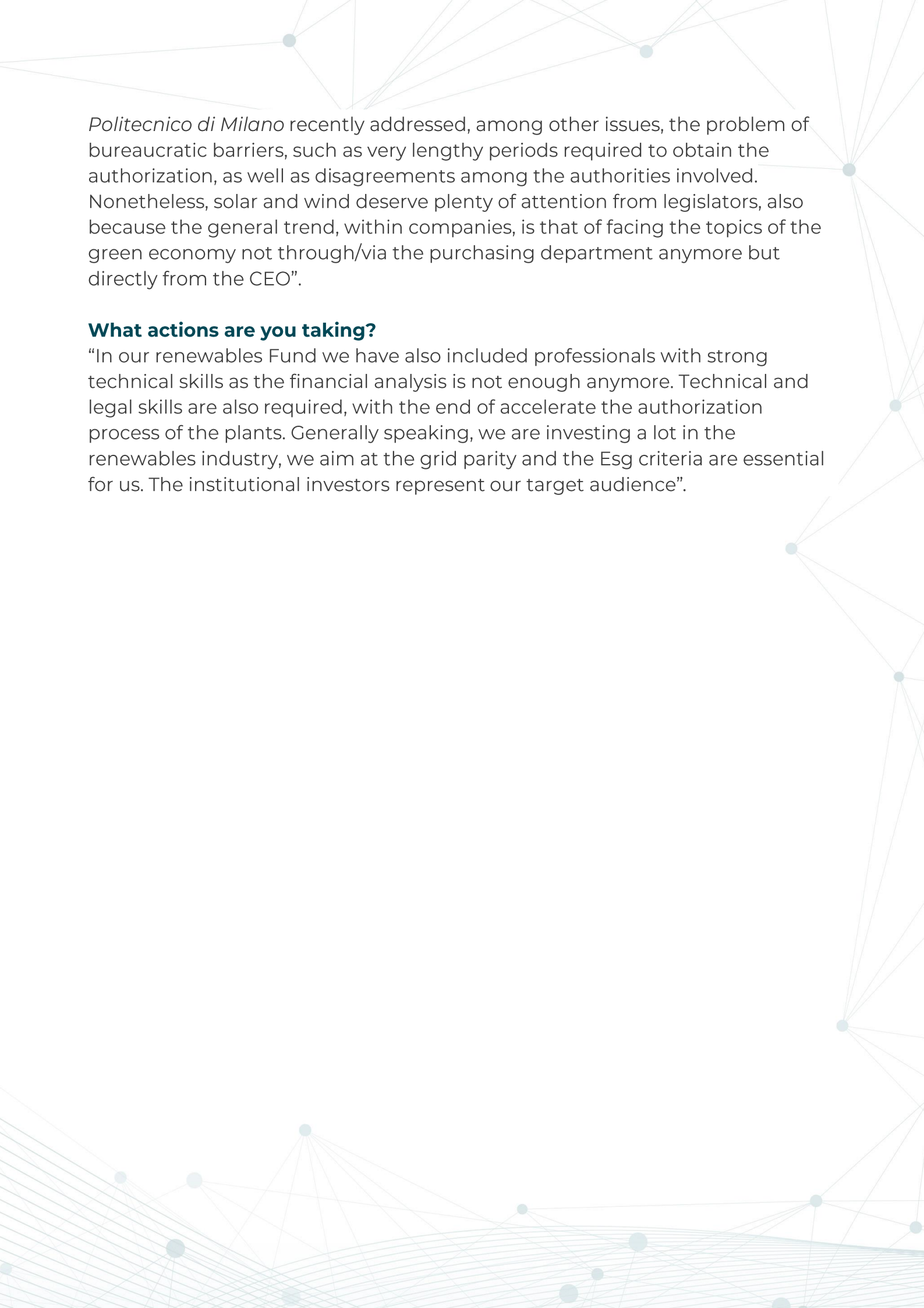
Over the last couple of years we have been witnessing growing attention to Esg matters (environment, social and governance, Ed.). For some it is just curiosity, while others view it as an actual investment criteria. We hope that, even after the pandemic, the latter category will increase even more”.

What can the government do to encourage this trend: strengthen the incentives for renewables?

“Incentives have proven to be very useful to establish the culture of renewables, but renewables should not be associated with incentives. From our perspective, two years ago we believed that the era of incentives was over, therefore we transitioned to grid and market parity” –meaning, respectively, that an investment in an energy plant yields revenues also without subsidies, and it is competitive on the wholesale energy market against fossil fuels. “With this in mind, we aggregated a series of small plants to take advantage of economies of scale and various synergies. Then, we focussed on large-scale plants for the production of green energy; in other words, real infrastructures”.

If the era of incentives is over, is there anything else the Government can do to contribute to the development of the industry?

“Renewables today represent a real economy facing a big issue: bureaucracy. It takes between two and five years to get permission to build a plant, and even up to eight years in some regions. Now simplification is being discussed within the government. We hope the authorization process within our industry will be simplified. The Renewable Energy Report of the Energy Strategy Group of the



Politecnico di Milano recently addressed, among other issues, the problem of bureaucratic barriers, such as very lengthy periods required to obtain the authorization, as well as disagreements among the authorities involved. Nonetheless, solar and wind deserve plenty of attention from legislators, also because the general trend, within companies, is that of facing the topics of the green economy not through/via the purchasing department anymore but directly from the CEO”.

What actions are you taking?

“In our renewables Fund we have also included professionals with strong technical skills as the financial analysis is not enough anymore. Technical and legal skills are also required, with the end of accelerate the authorization process of the plants. Generally speaking, we are investing a lot in the renewables industry, we aim at the grid parity and the Esg criteria are essential for us. The institutional investors represent our target audience”.