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Gaurav Raniwala, managing director & global head of renewables at GE Vernova’s Financial Services business, discusses the need for cooperation and discipline as the global energy system becomes more complex.

Where do you see the biggest opportunity for renewables investors?

The energy transition across the globe is the opportunity of a lifetime for investors. With electrification of industrial load, we expect electricity demand to grow by 50% by 2040. In addition, there are approximately 800 million people in the world who lack reliable energy. When we look at sustainability, we also need to look at how we deliver affordable and reliable power for both electrification and decarbonisation.

At GE Vernova, we do that by advancing technologies across conventional power (gas, small modular nuclear, hydro), wind (onshore and offshore) and electrification (technology, like HVDC and storage, and software solutions).

We are investing in projects in all of the above categories to lead energy transition while also bringing in both private and public capital alongside ours.

Has the Inflation Reduction Act affected your plans?

The IRA was a game-changer. It has put the US at the leading edge of driving the energy transition and incentivising investment in renewables at record levels.

We do see a challenge – which is also an opportunity – with tax equity. The current US market demand for tax equity financing stands at \$20bn per annum, but the demand resulting from the IRA is expected to at least double that. While

we continue to invest, there is a huge opportunity for corporations, insurance companies, and other financial institutions to get involved and play a significant role in energy transition by growing the tax equity market and we are ready to support them in doing so.

You mentioned green hydrogen. How big is your focus on power-to-X?

We see credible players willing to put development dollars into power-to-X, which is everything from power-to-hydrogen and power-to-ammonia to even power-to-power. This means power can be converted into fuels and transported across the world.

At GE, we see a massive opportunity to bring a lot of these technologies together. As I mentioned, we have offerings across technologies e.g wind, storage, HVDC and so on. Systems are getting very complex and we need integrated solutions that enable various intermittent resources to come together and deliver reliable power. Firms can’t just say, “I sell wind” or “I sell solar”.

Does this make financial structuring more complex?

Yes. While we can be innovative, we also need governments to step up a little more to provide the right support.

“We have to allow products to mature over longer cycles and also start dealing with inflation in a more pragmatic manner.”



We need to remember this isn’t just about trying to get the cheapest electricity, as we have seen in recent years in the race to the lowest levelised cost of energy. Our shared focus is sustainability.

The whole industry needs a reset. We can’t be introducing new products at the pace we have been. We have to allow products to mature over longer cycles and also start dealing with inflation in a more pragmatic manner.

Has it been good to see more discipline in the UK’s recent CfD auction?

Yes. We’ve seen in the last three years that significant inflation has hit everyone in the industry, and we aren’t going to see a rapid downward slope on technology costs. It’s good to see this reset happening, where developers realise they need to be bidding in a sustainable manner.

It isn’t just the UK either. We’re seeing the same story in US offshore wind, where firms are walking away from power purchase agreements because they are unviable in current market conditions. It’s good that there’s a realisation that we need to be more disciplined. It’s healthy for the industry and should make the whole ecosystem stronger.

Can COP28 help to further this debate?

Absolutely. This is a programme that enables people of different perspectives to come together and exchange ideas, and we see progress every year. I personally believe that COP has a big role in fostering cooperation.

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