Green

Green Investors Are Finding Bargains in Trump's Big Oil Era

- Renewable power assets have now become a buyers' market
- Wind, solar are still key to meet rising electricity demand

By Will Mathis and Petra Sorge

March 21, 2025 at 6:00 AM GMT+1
Updated on March 21, 2025 at 12:10 PM GMT+1

Private infrastructure investors are snatching up green bargains in what's emerged as a buyer's market for wind, solar and battery projects.

The moves follow a a slump in clean-energy stocks, as US President Donald Trump's call for more fossil-fuel power generation has sent a chill through the sector and boosted Big Oil's plans to pivot back to core business.

"We think the fundamentals of renewable power are as strong as they've ever been," said Ignacio Paz-Ares, managing partner and deputy chief investment officer in the renewable power and transition group at Brookfield Asset Management. "Whenever we see a dislocation between what the market noise is and the fundamentals, that creates a very good opportunity for us to make acquisitions at very attractive entry prices."

Bloomberg Green

EV Maker Nio Flags Sluggish First Quarter, Pledges Cost Cuts

Wildfires Rage Near Houston and Miami as High Winds Fan Blazes

What the $660 Million Greenpeace Verdict Means for US Activism

Storm Martinho Disrupts Transport Systems in Spain and France

Brookfield is among the asset managers betting that rising energy consumption and competitive economics of renewables will continue to drive demand for the sector.

In recent months Brookfield has done a series of big green deals, including a $1.7 billion transaction to buy an onshore renewables business from National Grid Plc, a £1.75 billion ($2.3 billion) stake purchase in UK offshore wind farms from Orsted A/S and a €6.1 billion ($6.6 billion) takeover of French developer Neoen SA, which owns solar, wind and energy storage assets. Paz-Ares said the firm is looking to buy more as it continues to raise money for its second energy transition fund .

The acquisition of Neoen was particularly good timing for Brookfield. The alternative asset manager and co-investors first bought a controlling stake in December for €39.85 a share, a third lower than Neoen's peak in early 2021.

With all of these deals, Brookfield took assets from the public market into the private one. They highlight an opportune moment for investors with money to spend on the sector. A stock market bubble for all things green peaked in early 2021 and has now left valuations of publicly-traded clean energy companies around the lowest level in about five years.

"Stock prices haven't done well over last few years, but in the real economy clean is booming," said Aniket Shah, head of sustainability and transition strategy at Jefferies. "When sentiment around something is low, it's a good time to be a buyer."

Vincent Policard, co-head of European infrastructure at KKR & Co., which is looking to raise up to $7 billion for its first Global Climate fund, said the geopolitical factors putting pressure on valuations is "creating a compelling opportunity for long-term investors like us to lean in and support the energy transition."

Hedge fund manager Trium Capital said earlier this month the broad retreat by oil majors from renewables projects has left the market for low-carbon investments looking less crowded and more attractive.

Read More: Hedge Fund Trium Reviews Energy Bets After Oil Industry Pivot

This already appears to be playing out in offshore wind off the coast of the UK, where BP Plc had made some of its hugest bets a few years ago, driving up prices for projects.

Copenhagen Infrastructure Partners, which closed its largest-ever renewables fund with €12 billion this month, said it's now starting to re-enter those waters.

"We stayed out of the big blood bloodbath in the North Sea," said Jakob Baruel Poulsen, managing partner and co-founder at CIP, but the firm recently bought a 480-megawatt Morecambe project off the western coast of the UK in the Irish Sea at "very attractive terms."

CIP said last month it was acquiring full control from its current owners Cobra and Flotation Energy. A press release on the announcement said Flotation Energy will remain involved after the transaction as a development partner to the project.

Renewables project owners in Europe are also benefitting from power prices that are still at historically high levels after natural gas supplies from Russia to Europe diminished in recent years.

"Power prices are incredibly good at the moment," Baruel Poulsen said. "In Europe, long-term power prices are at least twice as high" as they were before the war in Ukraine, he said.

Beyond Europe, Baruel Poulsen said the new fund will invest in the US and Australia, markets where onshore renewables and batteries are set to play an increasing role in meeting demand in the power system.

Wind and solar are the fastest growing sources of electricity worldwide – at a time when energy consumption is set to soar with new demand sources such as data centers. In the US, annual wind farm additions are expected to increase by some 40% this year compared to 2024, according to BloombergNEF, while solar will see a 10% rise to a record 54.4 gigawatts of new capacity added.

Despite the challenging political situation in the US, "we continue to be bullish on the energy transition," Bianca Ziccarelli, managing director of Canada Pension Plan Investments, said on a panel at the Infrastructure

Investor Global Summit in Berlin on Thursday. “We have been quite busy and we continue to find good opportunities in renewables.”
– With assistance from Allison McNeely and Natasha White

(Updates with hedge fund comment in tenth paragraph and deal details further down.)