

# Welcome from GIG Global Head, Mark Dooley

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**2023 has been a momentous year for the energy transition. New challenges emerged and, with them, new opportunities.**

Global investment in renewable energy surpassed previous highs in the first half of 2023<sup>1</sup> and the capacity of grid-connected renewables reached an important milestone of 1 TW<sup>2</sup>. But there is much more to do. As I write, global leaders are gathering at COP28 where the goal to triple global installed renewable energy capacity by 2030<sup>3</sup> is a key focus of discussions. Yet, we can take heart from the new thresholds reached which reflect the growing momentum behind the transition and, I believe, a recognition by governments and businesses that green investment is the solution to the energy trilemma - affordability, sustainability, and security of supply.

However, no part of the energy market is immune to geo political uncertainty or macroeconomic pressures. Short-term impacts from disruption in supply chains, increased input prices and costs of capital, have driven up costs across almost all energy sources<sup>4</sup>. The willingness of government and corporate offtakers to adapt to these higher prices has been put to the test.

Pleasingly, while it hasn't happened instantaneously, we are seeing public and private sector energy buyers acknowledge the fundamental necessity of the transition and commit to absorbing increased costs<sup>5</sup>. One noteworthy example of this was the UK Government's recent announcement of increased price caps for next year's Contract for Difference (CfD) tender round<sup>6</sup>.



1. 'Renewable Energy Investment Hits Record-Breaking \$358 Billion in 1H 2023', [BloombergNEF](#), 21 August 2023  
2. BloombergNEF, Historic capacity interactive dataset, 2023  
3. 'Tripling Global Renewables by 2030', [BloombergNEF](#), 21 November 2023  
4. World Energy Investment 2030', [IEA](#), 25 May 2023  
5. 'Corporations Brush Aside Energy Crisis, Buy Record Clean Power', [BloombergNEF](#), 9 February 2023  
6. 'Contracts for Difference (CfD): Allocation Round 6', [GOV.UK](#), 16 November 2023

## A new policy landscape

The huge gains in wind and solar over the last decade have shown us how powerful the interaction of policy, industry and private capital can be. Excitingly, we're now experiencing a similar confluence of effort to replicate the same growth trajectory across the newer technologies that are set to play a critical role in the next phase of the transition.

Throughout 2023, we've seen governments around the world take steps to advance the next generation of technologies into commercial deployment while maximising the economic and industrial benefits in their jurisdictions.

The Inflation Reduction Act in the US was a very direct response to these complex challenges and opportunities, and we have observed its magnetic pull towards activity in that market. Similarly, the EU's RePowerEU and the recent package of measures, especially those supporting the switch to electrification and renewable hydrogen, are welcome initiatives which aim to address climate and industrial policy in tandem.

Our experience shows investor appetite for exposure to technologies such as batteries, hydrogen and biofuels continues to grow. And now, thanks to conducive policy regimes and strong industry collaboration, we're able to unlock exciting new opportunities for investors in earlier stage technologies.

Enabling policy, industrial collaboration, and committed capital – the key pieces of the puzzle are now in place. That's why, from sustainable aviation fuel to low-carbon fertilisers, we're confident the next generation of transition technologies is poised to scale at breathtaking pace throughout this decade.

You can read more about our work in these areas in this report.

## Navigating together

Amidst this dynamism, we continue to drive forward as part of Macquarie Asset Management (MAM).

Now more than ever, investors are seeking trusted partners with a strong track record of delivery. With almost 20 years of renewable energy investment experience across MAM, we understand how to build resilience and ensure our portfolio continues to adapt to the world around us. Sitting within the world's largest infrastructure manager<sup>7</sup>, we believe our market leadership, scale and deep expertise position us to successfully navigate this complex and volatile environment on behalf of our clients.

In challenging times, partners are seeking trust and reliability. We are grateful for the continued support of our clients, partners and stakeholders, whose shared ambition continues to be a catalysing force as we move towards our collective goals.



**Mark Dooley**

Global Head, Green Investment Group

7. Ranking of the world's largest infrastructure managers by direct investment capital raised over the past five years, [Infrastructure Investor](#), November 2023.