

GRID INFRASTRUCTURE & TECHNOLOGY INDEX

Investing in a more resilient and efficient electrical grid

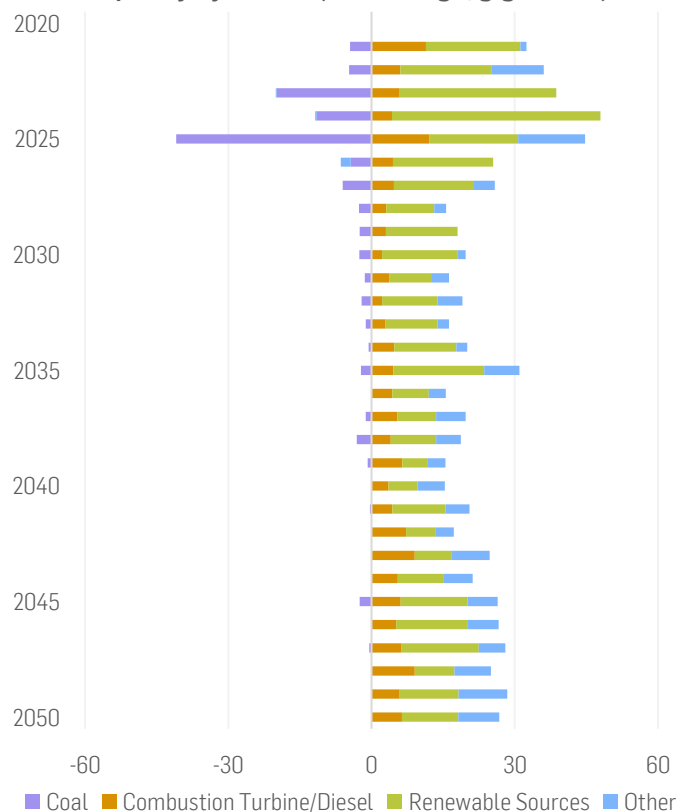
In order to achieve a net-zero emissions future, the global energy mix must become ever-more reliant on clean sources of energy. However, current electrical grid and transmission infrastructure is not yet in a stage ready to efficiently rely solely on alternative power generation. Under such conditions, a **significant amount of capital** must be invested as a pre-condition for the world to achieve a green energy mix.

Investment Idea

Current energy infrastructure is crumbling and unsuited for a green transition. This fact is reflected by the need to sign the Infrastructure Investment and Jobs Act into law in 2021 – which will inject over **one trillion USD** in American infrastructure. Among the act's key highlights is the largest investment in clean energy transmission and grid infrastructure in U.S. history.

This considerable financing package signals a clear fact: for the world to achieve a **net-zero future**, a significant amount of capital must be invested to transition the global energy mix – with funds not only needed for large-capacity renewable power stations, but also for infrastructure and technologies to utilize clean energy efficiently.

US projected electricity generation capacity by source (YoY change, gigawatts)



Source: US Energy Information Administration

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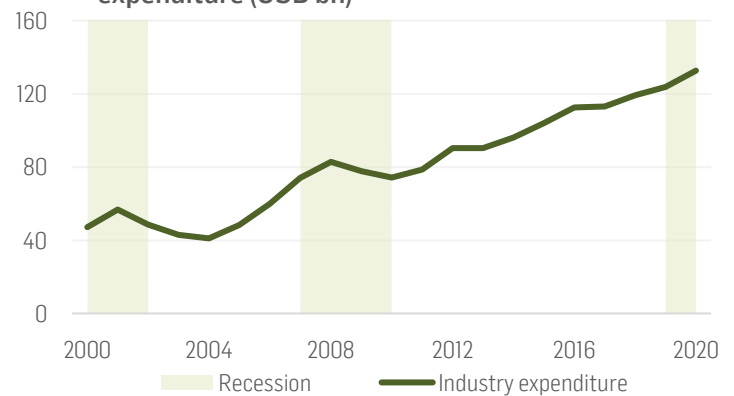
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Index Description:

The Solactive Grid Infrastructure & Technology Index concept offers exposure to companies upgrading global energy grids and transmission infrastructure, as well as to those developing grid technologies enabling efficient energy consumption – such as smart grids.

New sources of energy pose previously unheard-of challenges when it comes to resource utilization. This is the case due to factors such as weather conditions and variations leading to intermittent and geographically conditional generation of renewable energy. For example, how can Italy's northern industrial heartland be powered by renewable energy generated in the country's sunny south?

Electric Utilities industry yearly capital expenditure (USD bn)



Source: Edison Electric Institute

Leading grid infrastructure & technology companies



Among the Solactive Grid Infrastructure & Technology Index's top constituents are both legacy Electric Utilities as well as cutting-edge grid technology manufacturers. For example, an index constituent is Nextera Energy, who intends to invest between **50 and 55 USD bn** in new energy infrastructure in 2022. The index also includes companies such as Alfen NV – a Dutch developer of next-generation grid technologies.

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