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Ownership Structure and Clean Investments in the European Energy Market

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Extended Abstract

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Abstract Summary

We examine the impact of state, private, and institutional ownership on clean energy capacity investments, with a particular focus on the effect of state-led capacity expansion on private and institutional capacity. We find that state ownership is associated with significantly higher odds of clean investment than private and institutional ownership. Furthermore, our results show a significant crowding-out effect: a one-standard-deviation increase in the state's share in annual added capacity reduces private capacity growth by 2 percentage points the following year. Finally, we show that an increasing state capacity share is associated with a decreasing probability of new market entry.

Presenting Author Biography

Mustafa Ispa is a PhD candidate in Energy Economics at the Technical University of Munich. He holds an M.Sc. in Management and Technology from the Technical University of Munich and a BSc in Management Engineering from Istanbul Technical University. His research examines the firm-level drivers of clean investment, specifically focusing on ownership, capital composition, and the role of financial markets in the green transition.