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### **America's sun shines on German multimillionaires**

**"Energiewende" has entered Americans' vocabularies, describing the transition to new energies. Clean energy plants in Texas promise returns of up to 15%**

**BY NADINE OBERHUBER**

When a Rockefeller renounces oil, nothing less than a shock-wave reverberates across America. And when it's not just a single member of this billionaire family who is turning their back on the Black Gold that was the foundation of their forefather John D. Rockefeller's entire business empire, the shock-wave takes on the proportions of an earthquake. All of the members of the Rockefeller clan, along with the Rockefeller Brothers Fund and its EUR 680 million of funds, took the decision to divest themselves of all of their oil-related investments. And more billionaires have followed suit. It is currently almost fashionable among America's super rich to channel their investments away from "old energy" and into "new Energies", in particular wind and solar.

The heirs to the Wal-Mart dynasty, Californian hedge fund billionaires and extremely wealthy actors are all buying into solar energy companies. Google's founders are planning concentrated solar power plants to provide energy to San Francisco. The oil billionaire T. Boone Pickett has given up on building oil drills in favor of the world's largest wind farm. America is getting greener. Energiewende has become as much a part of the vocabulary as Kindergarten. Why? As the media regularly trumpets, Germany has shown everyone how it can be done. The super rich in Germany have been putting their money into renewable energy companies for some time now. Germany's richest woman, the BMW heiress Susanne Klatten, bought into the wind turbine manufacturer Nordex. Former Premiere CEO Georg Kofler took stakes in companies specializing in energy efficiency and ex-Tchibo CEO Dieter Ammer invested in Conergy. Being honest: some of them lost massive sums of money.

Now a dozen or so of Germany's super rich have made a new discovery: and it is located on farmland near Austin, Texas. Just as discussions on new energy regulations, feed-in tariffs and generation restrictions are raging across Germany, these German multimillionaires are funding America's Energiewende. They would prefer to remain anonymous and the project, appropriately enough, goes by the name of Whisper Valley.

They are not building anything as straightforward as a new factory or power station in Austin, rather they are creating an entirely new city district. Across almost 900 hectares, 7500 detached houses and apartment buildings are being built from scratch, along with retail

outlets, offices, swimming pools and schools - all in accordance with passive house standards. For a state like Texas, where life without air conditioning is as unimaginable as an existence without oil money, this is nothing less than a sensation.

The entire development will be heated thanks to geothermal energy and the buildings will all have roof-mounted solar panels to provide electricity for their air conditioning, ovens, refrigerators and TVs. This pilot project will cost EUR 2 billion. Ten German multimillionaires, together with American industrialists, are contributing EUR 600 million of this via an investment fund.

And how is it that this is happening in Texas, of all places? According to Lorenz Reibling, CEO and Co-Founder of the project's initiator, Taurus Investments, "We also have investments in India and Turkey, but, to be perfectly honest, the greatest energy transition is happening in America. There has been a paradigm change. Investors have recognized that there are really great value creation opportunities in the energy sector. As a result of our project, Austin, Texas has become one of the greenest cities on the planet."

In fact, nobody in Austin needs to be worried about the fuels of tomorrow. Oil is still gushing in abundance and, together with the extraction of shale gas via fracking, it would seem that America has all the fossil fuel supplies it needs. By 2035 - possibly even as early as 2020 - the country could be energy self-sufficient, no longer dependent on oil and gas imports, at least according to a number of scientific studies. A large number of IT and technology companies have made Austin their home, bringing with them an influx of young men and women who tend to have more critical opinions of fossil fuels. Dell, Facebook, Google, Apple, Freescale Semiconductors, and IBM are the city's major employers and many of them are firm believers in energy efficiency.

The region in Austin where most of these tech companies have settled has become known as Silicon Hills. Together with one of the United States' largest universities, these companies have ensured Austin's position as one of the youngest and most dynamic cities in America. Austin is also one of the country's fastest growing cities. There is a lot of construction activity and the city's legislators have adopted strict building regulations. From 2016, every house built in Austin will have to meet the "Net Zero Standard", which means they will have to be carbon neutral.

The main obstacle so far has been the fact that most young families and home-buyers simply can't afford the extra costs associated with building to such strict energy standards. "Most people have viewed these as technologically green gimmicks, until now," says Reibling. At USD 26,000, geothermal energy systems are not only almost twice as expensive as traditional heating systems, but no banks recognize them as adding value to a property. With banks unwilling to approve extra financing, most house builders have been scared off. With the backing of the super rich investors, these energy saving houses can now be built and sold to buyers at regular prices, with buyers or tenants paying a flat fee of USD 200 per month to cover the costs of the green technologies.

That might sound like a lot, but according to the developers, each household will benefit from savings of between USD 150-250 per month on their electricity bills. Nevertheless, the motives of the super rich investors are not entirely altruistic. If all goes well, they will make returns of between 12-15% on their investment. Up until now small investors have been shut out. But this is all changing as Taurus has handed a number of finished properties over to the closed-end fund initiator Jamestown to include in its funds. As a result, even ordinary Germans will be able to contribute to America's Energiewende.