▸ EXECUTIVE BRIEF · BATTERY STORAGE · DACH & CONTINENTAL EUROPE

The Investment Readiness Gap

Why institutional capital needs a shared screening standard for battery energy storage.

BESS projects do not fail because capital is *absent.*
They fail because investor readiness is *undefined.*

EXECUTIVE BRIEF — THE FULL FRAMEWORK IS SHARED UNDER SELECTIVE ENGAGEMENT.

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Capital is not the constraint. Readiness is.

Battery energy storage is becoming one of Europe's most relevant new infrastructure asset classes. The structural case is settled: rising renewable penetration, growing grid volatility, and a regulatory frame that increasingly treats storage as infrastructure in its own right.

Institutional appetite for energy infrastructure is large and growing. Yet capital reaches German and Continental BESS projects more slowly than the market logic implies. The reason is rarely the project. It is the form in which the project meets the market.

Most projects are developed along technical and regulatory lines: grid connection, permitting, feasibility. Investors underwrite along a different logic: clear gating criteria, defensible risk allocation, documented governance, an auditable financial model, and a capital-markets narrative matched to a specific investor type. The distance between the two is not cosmetic. It is priced.

HardtRock screens BESS projects against a **weighted gate and quality framework** that separates binary investability from qualitative project strength. This brief sets out the logic. It does not publish the mechanics.

Projects and capital underwrite on different logics

The German BESS market is in transition. Pipeline is growing and institutional demand is rising, but transaction readiness remains fragmented. Projects built from a development perspective answer where, how, and whether to build. Investors additionally ask whether the project is unambiguously investable in legal and economic terms, whether the grid position survives an investment committee, whether the SPV is clean and diligence-ready, whether the revenue stack is modelled and stress-tested, and whether the project fits the capital being approached.

Most BESS projects that stall are not weak projects. They are taken to market too early, too unclear, or to the wrong capital source. Three inefficiencies follow.

Due diligence runs long. Investors re-request basic information instead of drawing on a complete, consistent, investor-grade structure.

Outreach is misdirected. A ready-to-build project carrying merchant exposure may suit value-add infrastructure capital and fail the mandate of insurance or pension capital. Without an investor-fit logic, time is spent on the wrong counterparties.

Uncertainty is discounted. Thin documentation, absent governance, or unquantified revenue risk do not only delay a process. They raise the risk premium directly. Readiness, therefore, is a value driver, not packaging.

Gates before scores

Most project assessments let qualitative scores obscure binary problems. A project can carry a strong narrative, a good site, and a supportive market and still be uninvestable if site control is not secured or the SPV structure is unresolved. The HardtRock framework inverts the usual order: **hard investability gates are tested first; qualitative project quality is assessed second.**

The gates capture the minimum conditions an investment committee will test — grid-connection status, site control, permitting, ownership and SPV structure, revenue-stack definition, EPC and O&M concept, documentation completeness, financial model, and mandate position. Certain of these are blockers. Where a blocker is open, no institutional outreach should begin, however attractive the project looks on other dimensions.

Only after the gate test does the framework weigh qualitative dimensions: strength of the financial model, permitting maturity, governance and documentation, the investor narrative, developer track record, and the robustness of the revenue stack. The separation is the point. It stops soft strengths from masking hard gaps, and it produces a reproducible readiness view — not a substitute for due diligence, but the screening layer that belongs in front of it.

Not every project fits every investor

A generic "investor-ready" label is insufficient. Risk appetite differs by capital type, and a project's fit is specific. The framework screens for fit against a named investor type, not for general investability alone.

Value-Add Infrastructure	Accepts development, merchant, and execution risk where the return profile compensates; brings active structuring capability.
Core+ Infrastructure	Wants permitted projects, limited development risk, a defensible EPC / O&M structure, and a clear revenue stack.
German Real Assets / Spezialfonds	Allocates more conservatively; requires stronger permitting certainty and lower merchant tolerance.
Insurance / Pension Capital	Requires very low development and merchant risk, contracted-revenue weighting, and high governance and reporting standards.
Family Offices / Private Capital	Move faster and more flexibly, but scale less well for platform strategies.

Screening for fit reduces wasted outreach, shortens processes, and raises the probability that a project reaches capital it can actually accept.

Timing is an investability dimension

For European BESS, timing is not a footnote. Regulatory deadlines, grid-connection sequencing, permitting, EPC availability, and commissioning schedules act directly on the return profile. The treatment of grid charges and regulatory transition windows can carry material economic weight, and projects running close to those windows must reflect the risk in the financial model and the investor narrative, not only in operations. In 2026, investors will ask not only whether a project is attractive in principle, but whether it is executable inside the relevant regulatory window.

QUESTION 01

When is financial close realistic?

QUESTION 02

When is commissioning realistic?

QUESTION 03

How much buffer against cut-off risk?

A project with a good site, a strong grid position, and a convincing revenue stack can still become unattractive if execution timing is misjudged. Readiness includes an investable schedule.

What a shared standard delivers

A readiness standard does not replace technical, legal, or tax due diligence, nor the final investment decision. It provides a structured pre-filter.

FOR DEVELOPERS

A clear gap analysis before the investor conversation, sharper preparation of data room, model, and teaser, and better positioning toward the right capital.

FOR INVESTORS

Faster first assessment, comparability across projects, fewer unstructured information requests, and a clearer view of blockers across a pipeline.

FOR THE MARKET

Less friction, better capital allocation, and a higher probability that good projects reach institutional capital.

BESS as an institutional asset class will not be decided by pipeline volume alone. It will be decided by standardisation, transparency, and trust.

▶ HARDTROCK CALIBRATION ROUND

HardtRock is convening a closed calibration round with selected institutional investors, BESS developers, and technical and legal advisers to sharpen the readiness criteria against live market requirements: which gates are non-negotiable, how criteria should weight by investor type, how merchant exposure is assessed institutionally, and where documentation gaps most often occur.

The full **HardtRock BESS Investment Readiness Framework**, with anonymised project examples, is presented in selected one-to-one conversations.

HardtRock Capital Partners is a Berlin-based placement advisory focused on institutional equity and joint-venture structures for data-centre and BESS infrastructure across DACH and Continental Europe. HardtRock acts as an independent placement agent — not a principal, developer, or fund — supporting developers and owners from early readiness analysis to targeted institutional capital outreach.

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