

### *A Word from the EGEC President*

Dear members of EGEC and readers,

The political agenda for renewable energies is busy this autumn. The economic situation leads to different policies – the one side considers RES as an asset, a job machine, a tool for securing an economically and ecologically sound future; and the other side tries to cut cost for RES support in the attempt of short-term savings. The discussions of the economic crisis in Greece had one item that was not contested: RES like solar and wind – but also geothermal, I need to add – are technologies that could help in creating competitiveness for Greece, domestic as well as through the export of power!



*During discussion at the EUFORES IPM 11 in the old plenary room of Sveriges Riksdag in Stockholm, 30.9.2011 (Photo eufores)*

In the UK, the perception of RES is quite different. After ambitious policies of the past years, with very promising approaches like the Renewable Heat Incentive (RHI), the current situation is extremely sombre for both shallow and deep geothermal. Budget cuts are affecting heavily the RES sector, directly or indirectly. Project developers for geothermal power projects claim that the Renewable Obligations Certificates (ROCs) awarded for their technology are far too low to create the necessary incentive in a competitive market. And the RHI is a mere shadow of what once was announced, and is only partly implemented yet.

#### In this ISSUE NO 16:

- Policy p2
- Market Development p3
- News from EGEC p4
- Events p5

In general, lowest cost is the issue of the day, and not only between RES and the classical energy sector, but also among different RES technologies. Communications from within EC and some studies suggest to concentrate on the RES with lowest cost. This approach, however, includes the risk to fail in development of the full set of RES technologies, which are all needed to fulfil the possible RES contribution as required for energy security, climate protection, and, ultimately, affordable energy supply on the long run!

Luckily, we also hear encouraging news. Many projects for heat and for power go well ahead in the deep geothermal sector. For the most recent one, in Vienna, Austria, the official ceremony for start of drilling is scheduled for 9 November. Project developers also have understood that early and pro-active communication with the citizens in the neighbourhood is crucial. The latest example, the “GEOlife” experience centre in Gross-Gerau in Germany, deserves special mentioning ([click here](#)). And, most encouraging in the light of the current discussion, under certain circumstances like in New Zealand geothermal power was found to simply be the lowest-cost RES.

The shallow geothermal sector had a difficult time in most of the countries with an established market. Several factors contributed jointly to this development, the economic uncertainty not being the least one. Training and ensuring quality of work continues to be a hot issue for shallow geothermal. To give an example: The state authorities now have repealed the temporary limitation of drilling depth imposed after the recent incident with shallow geothermal drilling in Leonberg near Stuttgart. One of the conditions for doing so was a training scheme for drillers, which the industry now has to deliver.

On this GSHP installation quality front, the Geotrained program that started with the EU-funded [Geotrained](#) project in 2008 is taking the next step forward. At a workshop in Brussels on the 14th of October, delegates from various EU countries decided to go ahead and establish a European Education Board for Geotrained. Further information is on the Geotrained website, and more will be communicated soon.

See more inside this newsletter, and on the EGEC website.

I wish you an interesting reading,

**Burkhard Sanner**

# Policy Update

Find out about the policy issues EGEC is involved in while promoting the Geothermal sector!

## Commission unveils new energy infrastructure package

On 19 October, the European Commission unveiled the new energy infrastructure package: €9.1 billion will be invested in trans-European gas and electricity infrastructure through the new Connecting Europe Facility. In its proposal for a regulation on “[Guidelines for trans-European energy infrastructure](#)”, the Commission also simplifies permit granting procedures for EU priority corridors for the transport of electricity, gas and oil.

Being a renewable flexible source with a load factor of 90%, geothermal energy is only concerned by local electricity grids and district heating systems. It means that geothermal will not be affected by these huge external costs which must be added to all energy technologies benefitting from these infrastructures. These external costs show that geothermal is even more competitive compared to all other energy technologies. Notwithstanding, EGEC regrets that a connection to Iceland has not been proposed: this would allow the EU to receiving a large amount of geothermal electricity at very low cost (5-7 € ct/kWh).

## Proposal for a Directive on energy efficiency discussed in the Parliament

The [Commission's proposal for a Directive on energy efficiency](#) aims at improving, among other things, the efficiency of heating and cooling through the promotion of combined heat and power (CHP) and district H&C. The Rapporteur of the European Parliament Claude Turmes has recently presented his [draft report](#). EGEC welcomes most of the proposed changes introduced, including binding EU and national targets expressed in primary energy terms, a 3% binding renovation rate for both public and private buildings, and a more streamlined financing mechanism.

In order to ensure that energy savings and energy efficiency solutions make the most of already available renewable technologies, including geothermal, EGEC urges Members of the European Parliament to consider further improvement of the new directive, notably by including decentralised installations in the national H&C plans and by providing, in line with the RES Directive, priority of access to the grid and dispatch only to cogeneration from renewable energy sources. Finally, we call on policy-makers in order to avoid that geological storage sites are given any priority over other energy technologies, including geothermal CHP.

## RES in Europe: REPAP 2020

In the framework of the REPAP2020 project, the European Renewable Energy Council together with national renewable energy associations present an update on the implementation of the 2009/28/EC Directive on the promotion of the use of energy from renewable sources. As a requirement under this Directive, National Renewable Energy Action Plans (NREAPs) have been submitted by EU Member States from June 2010 onwards. EREC together with national renewable energy associations takes stocks of policy developments since then.

**[Visit the link below for National Briefings](#)**



# Market Development & News

## EGEC Members

### Iceland

#### **90 MW Addition to Iceland's Hellisheidi Geothermal Power Plant**

On October 1st 2011, Reykjavik's utility company, Orkuveita Reykjavikur, celebrated the start-up of the 5th phase of the Hellisheidi geothermal combined heat and power plant (CHP), located just outside Reykjavik, Iceland. This fifth phase added an additional 90 MW of power. The plant, which was designed by a group of consulting firms led by Mannvit, is now one of the world's largest geothermal energy plants, producing 303 MW of power and 133 MW of thermal energy for space heating and hot water

#### **Mannvit and Verkís Contracted to Design Two New Geothermal Plants in Northeast Iceland**

Earlier this month, Landsvirkjun (Iceland's national energy company) and Þeistareykir ehf (a jointly-owned municipal development company) signed a contract with the engineering companies Mannvit and Verkís for design and consulting services for two new geothermal power plants in Bjarnarflag and Þeistareykir. The total contract value is approximately \$25 million USD (2.9 billion Icelandic kronur). Next steps for these projects include, an immediate review of prerequisites and preliminary design, with full project design starting in early 2012.

## Other News

### Italy

#### **District Heating to be extended in Ferrara, by Italy's Hera Group**

The project 'Pole of Renewable Energy' if authorized, will develop the district heating network in the area east of Ferrara, increasing the number of dwellings served from the current 22,000 to 37,500, or about 40% of housing in the city. The heart of the new joint district heating will be precisely the "Pole of Renewable Energy", whose "green engine" will be 2 new geothermal wells located in the east of the city. The wells will be able to develop a power of 14 MWt (megawatts thermal).

### Hungary

#### **Hungarian investment firm Geoterm Invest to enter geothermal field**

The investment firm Geoterm Invest, owned by venture capital fund Morando, is entering the geothermal sector in Hungary buying a majority stake in a geothermal district heating project in Mako. According to Morando's business plans, HUF 1 billion will be invested in geothermal energy projects related to GI. The geothermal firm has already acquired a majority stake in Materm, a project company that is planning to develop a geothermal district heating system and a spa for the city of Makó (southwest Hungary). Next it is planning to start a similar project in Csongrád, another town in the southern region of the country.

### United Kingdom

#### **Lack of ROC support in UK frustrates geothermal sector**

A recent consultation document has proposed maintaining the current level of saleable Renewable Obligations Certificates (ROCs) in the UK, issued to geothermal power plants at 2 ROCs/MWh, before then cutting the level to 1.9 ROCs in 2015/16, and 1.8 ROCs in 2016/17. The industry had been calling for greater support, arguing that subsidies will have to increase if the UK is to have any chance of establishing itself as a significant player in the global geothermal energy market. A Department of Energy and Climate Change (DECC) spokesman said geothermal still had a part to play in the UK's future energy mix, but the government was keen to focus on the most cost-effective technologies that would help it meet the country's 2020 renewable energy targets.

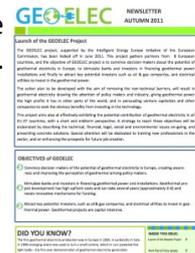
### United States

#### **Google Points to the Positive Impact of Clean Energy for the US**

Google.org has highlighted the potential impact of clean tech innovations, including geothermal energy, on the energy system and the economy in the United States. The model used by Google in a report released last July demonstrates that Geothermal technologies have the potential to start replacing coal by 2030. It was estimated that geothermal power will be a cheaper cost option than Nuclear, CCS, Offshore Wind and Solar CSP on a levelised cost of electricity basis by 2050.



The GEOELEC project continues to gather pace, as partners prepare for the next round of regional data compilation workshops in Valencia, Milan and Athens. These workshops are part of achieving a central objective of the GEOELEC project, which is to bring together experts in geothermal in Europe, to assess the existing resources and therefore potential for producing geothermal power. In order to achieve this goal, a series of 7 regional workshops will be held as a means to mobilise existing data of the potential of geothermal, and to create a common agreed methodology for further research. For more info visit [geoelec.eu/events](http://geoelec.eu/events).



**GEOELEC.EU is live!**

**Read the first GEOELEC newsletter!**

## Geotrained Programme

The GEOTRAINET project, supported by the European Commission's IEE programme (Altener), aimed to develop a European-wide educational programme as an important step towards the certification of geothermal installations. The official activities of this project have come to an end, but the time is ripe to capitalise on the results and knowledge harnessed by this project. More information on the project can be found at [Geotrained.eu](http://Geotrained.eu).



To this end, EGEC and the European Federation of Geologists hosted a workshop on the 14th of October 2011 in Brussels, in order to bring together interested parties to discuss how to capitalise upon the efforts of the Geotrained project in training drillers and designers of shallow geothermal systems.

*The overarching conclusion of the workshop was that all interested parties should aim to create National Education Committees, to provide a framework to further work, and a European level board will be created in mid-2012, composed of delegates of these national committees.*

[Presentations are available online.](#)



QualiCert stands for "Common approach for certification or equivalent qualification of installers of small-scale renewable energy systems in buildings". The project started in July 2009. QualiCert was launched in anticipation of the implementation of Article 14 of the Directive on the promotion of the use of energy from renewable sources (2009/28/EC),

obliging Member States to develop and mutually recognize certification or equivalent qualification schemes for installers of small-scale renewable energy systems (e.g. biomass boilers and stoves, solar photovoltaic and solar thermal systems, shallow geothermal systems and heat pumps) by December 2012.

The approach taken by this project is in line with the requirement of Art. 14 of the European RES Directive asking Member States to provide such schemes by 31st December 2012. The project involves the national stakeholders of 5 core countries (Austria, France, Greece, Italy and Poland), the other EU Member States being involved through a wide dissemination activity

QualiCert is entering the last phase of its activities and a series of so-called implementation workshops will be organized in order to make sure a common approach for certification/equivalent qualification of RES installers be adopted in each of the 5 countries initially tackled by the project (i.e. Austria, France, Greece, Italy and Poland). Examples on how it could be possible to do so are given by the QualiCert recommendations which will be presented once more during these events.

[Visit Qualicert-project.eu](http://Qualicert-project.eu)

## Events



5<sup>th</sup> to 7<sup>th</sup> December, Milan, Italy

**Registration is Now Open Online!**

### Featured Event:



**Les Journées de la Géothermie 2011**

**13th -15th December, Paris, France**

**[Visit the Website](#)**

EGEC is partnering with the first ever Geothermal Days 2011 event.

The official conference of the AFPG, the French Association of Geothermal Professionals, Geothermal Days will gather more than 60 exhibiting companies, around 300 congress delegates and 1500 visitors to the exhibition.

More than a dozen professional organizations including associations of mayors, housing promoters, architects, technicians, specialized engineers have joined Geothermal Days to contribute making it the main event for the French geothermal community.

Both deep and shallow geothermal will be addressed during the conferences and represented on the exhibition floor. More than 40 speakers have been confirmed as the Conferences have just been finalised.

For details on the speakers and on the sessions please [click here](#).

### November 2011

**EAGE event: SES11 Conference, 8th -11th November, Valencia, Spain**

**[Website](#)**

**Geothermal Congress 'DGK2011', 15th -17th November, Bochum, Germany**

**[Website](#)**

**Geothermal Energy at the RENEXPO® Austria 2011, 24th—26th November, Salzburg, Austria**

**[Website](#)**

### December 2011

**GeoPower Europe, 5th –7th December, Milan, Italy**

**[Website](#)**

### March 2012

**GeoTherm Expo & Congress, 1st & 2nd March, Offenburg, Germany.**

**[Website](#)**

### April 2012

**RHC– Platform and Euroheat & Power Conference, 26th & 27th April, Copenhagen, Denmark**

**[Website](#)**