

A Word from the EGEC President

Dear members of EGEC and readers,

When this issue of the EGEC Newsletter hits your electronic mailbox, the third edition of GeoPower Europe will be only days away. EGEC's annual conference, jointly produced by EGEC and GreenPower Conferences, has developed into the annual highlight for the European geothermal industry. This year's edition in Milan will provide room for even more information, with parallel sessions targeted on special topics in the afternoon of the second day, without cutting on time for networking, so valuable and essential for a successful participation in GeoPower Europe!



I look forward to meeting many of you in Milan, and to have two days full of new insight into the current development of the market, successful geothermal implementations, and new and exciting projects! My sincere thanks go to all the sponsors, speakers, and exhibitors who make this event possible with their contribution of time and funds.

GeoPower
EUROPE
6-7 December 2011, Milan

GeoPower Europe 2011 will also be the occasion for presenting the first release of *EGEC's Market Report 2011: Geothermal on the Up in Europe*, which will be highlighted at a cocktail reception at the end of the first conference day, 6 December 2011. The EGEC staff, supported by EGEC members, has done a great job in compiling an authoritative report on the status and prospects of the market for geothermal power and geothermal district heating throughout Europe. This report will be available at the reception in Milan, and after the conference EGEC members will have the chance to download it free of charge from the member's corner of the EGEC website.

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Beside all excitement about the upcoming conference, I should not forget to comment on a document that has been released this month by the International Energy Agency (IEA). This year edition of the World Energy Outlook (WEO 2011) of IEA takes renewable energies seriously at last, and geothermal energy among them. However, serious warnings are expressed on the time of the play.

The IEA WEO 2011 has warned that stringent new action is needed by 2017, as four-fifths of the total energy-related CO₂ emissions permissible by 2035 are already "locked-in" by our existing capital stock! Governments are admonished to urgently stop fossil-fuel subsidies (amounting to \$409 billion in 2010, compared to only \$66 billion for renewables), and to expand the support for genuine renewable energy sources.

Concerning renewable energy support, other studies such as a report of WBGU rightly highlight that the initial support will be largely offset by later savings of at least similar size and by other long-term economic and environmental benefits. So we can hope that politicians everywhere in Europe will see the opportunities for active support of renewable energies – now.

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!

EGEC up-to-date analysis of support schemes for geothermal is now available!

EGEC has drawn up a comprehensive and updated analysis of feed-in tariff schemes for electricity in the EU-27. The study shows that dedicated feed-in tariffs for geothermal are in force in eleven Member States. The most attractive systems are found in Germany (ct€25/kWh for all projects and additional ct€5 for EGS) and France (ct€20/kWh with an energy efficiency bonus of up to 8 ct€/kWh). Often as an alternative, five Member States promote geothermal power generation by means of feed in premiums. The green certificates schemes in force in six countries are also reported.

The information will be regularly updated. The document is available, exclusively for members, on the [Policy Updates](#) section of the EGEC members corner.

European Commission publishes draft legislative package for Horizon 2020

On 30 November 2011, the European Commission adopted its [proposal](#) for the new funding programme for research and innovation in the next EU budget (2014-2020). Approximately €6.1bn will be allocated to non-nuclear energy research, including geothermal energy. This amounts to roughly 7.5% of the overall R&D funding within Horizon 2020. Together with other renewable energy associations (see [EREC press release](#)), EGEC believes that such a share fails to reflect the EU's 2020 energy and climate targets.

R&D funding is key to progress down the learning curve of geothermal energy for which an increasing amount of EU funds will be needed in the coming years.

IEA urges policy-makers to stop fossil fuel and dynamically support renewables

In November 2011, the International Energy Agency (IEA) has published the 2011 edition of its *"World Energy Outlook"* (WEO 2011) which urges strong action by 2017 and warns governments that *there is no longer room for fossil fuel infrastructure whereas subsidies for fossil fuel consumption (\$409 billion in 2010) should be immediately halted*.

Later in the same month, the IEA has also released *"Deploying renewables: Best future practice"*, a new report recommending governments to take a dynamic approach in relation to RES support and deployment. Among other things, the report suggests that Feed-in tariff is the most reliable option in the "inception phase", whereas tenders may be a useful solution for large-scale projects, including EGS. Interesting for geothermal, final recommendations include the support for targeted R&D, particularly demonstration projects necessary to enable the next generation of RES technologies to reach the deployment stage, as well as the need to act against specific non-economic organisational barriers to RES-H deployment. More information available on the [Policy Updates](#) section of the EGEC members corner.

Durban 2011: European Commission calls for roadmap and deadline for post-Kyoto agreement

The 17th Conference of the Parties (COP 17) to the UNFCCC is on going in Durban, South Africa, from the 28th of November to the 9th of December. Connie Hedegaard, European Commissioner for Climate Action, recently called for an agreement upon a roadmap and a deadline for finalising an ambitious, comprehensive and legally binding global framework for climate action by all major economies. Following Copenhagen in 2009, the EU has also made a conditional offer to increase its GHG emission reduction target from 20% to 30% provided that other major emitters agree to take on their fair share as part of a post-2012 climate agreement.

EGEC Deep Geothermal Market Report 2011

Geothermal on the Up!

At the GeoPower Europe 2011 conference in Milan, EGEC will launch the much anticipated Deep Geothermal Market Report, which is an authoritative and concise account and analysis of the state of sector in Europe.

EGEC Members can download their copy free of charge from the Members Corner from December 7th! Other interested parties can contact com@egec.org to find out more.



Market Developments & News

Update on 'SDE+' Support Scheme in The Netherlands

the Dutch ministry of Economic Affairs, Agriculture & Innovation published some of the key figures for the new scheme SDE+ (which stands for stimulation of sustainable/renewable energy), which will be the main support scheme for sustainable heat from 2012.

Previous editions of the scheme were only aimed at electricity and green fuels, and the inclusion of sustainable heat (including geothermal heat), is a significant improvement. It is thought that sustainable heat may receive a government contribution per produced GigaJoule (which would be similar to Feed-in systems in other countries). It will take the form of a tender scheme, in which geothermal energy will have to compete with other forms of renewable energy, though public calculations undertaken by the ECN/KEMA (research institutes that advice the Ministry), suggest that the cost of geothermal heat compares favourably with those of other types of renewable energy, if calculated with the same key inputs such as depreciation, interest rates, internal rate of return, energy pricing scenarios etc. It is expected that the exact contribution per GigaJoule depends on gas prices (and differences with the costs of heat, produced with natural gas) and therefore will vary per year.

Essential Information:

- * Feed-in Tariff (for heat)
- * First call January 31, 2012
- * Contribution per GigaJoule is calculated as difference between costs of geothermal reference plant (10,9 euro /GJ) and fossil fueled reference (probably 5,5 euro/GJ)
- * All calculations based on 'standard' variables, equal for all RE options
- * Fossil fueled reference cost is recalculated ex post (after each year)
- * Therefore roughly 100.000 (GJ) * 5,4 (euro) = 540.000 euro for 'average' plant in first year
- * Duration 15 years
- * In 2013, the FiT will be recalculated, and paid on the real average gas prices in 2012.

Conclusion on the SDE+:

- * (Very) important new incentive for Dutch geothermal development

Hungary

New Hungarian Renewable Energy Technology Platform Established

Members of the RES community in Hungary have come together to found a national Technology Platform in November. The Platform will be chaired by Hungarian MEP, Béla Glattfelder, and now turns its attention to defining a work plan for the coming year. With both the Hungarian Geothermal Association and Thermal Energy Society Association as founding members, the geothermal sector is strongly represented.

Scotland

Scottish Enterprise fund feasibility study into new geothermal energy plant plans.

Scottish Enterprise has funded a major study into establishing if a test plant could be built between Aberdeen and Peterhead, which is expected to be undertaken by March next year. The geothermal plant, which would use high temperatures found miles underground to generate electricity, could form part of the Energetica project designed to position Aberdeen City and Shire's as a global energy hub by creating a 30-mile corridor between Aberdeen and Peterhead of energy technology companies, housing and leisure facilities.

News from EGENC Members

Walloon Region Supports New Geothermal Development in Mons

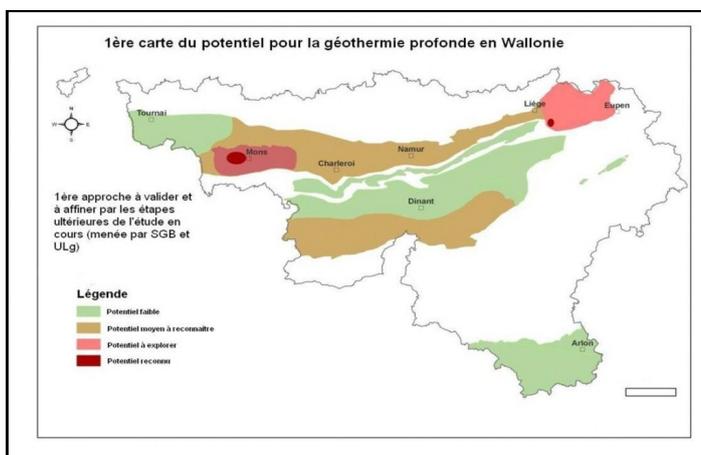
On Tuesday 8th November, the Minister for Sustainable Development and Energy for the Walloon region, Mr. Jean-Marc Nollet, announced funding of 3 million Euros to IDEA (Intercommunale de Développement Economique et d'Aménagement du territoire de la région Mons-Borinage-Centre). This funding will go toward new deep geothermal wells, working towards a future renewable urban heating network. In his presentation, the Minister emphasised how crucial and essential deep geothermal is in achieving 100% renewables in the region by 2050.

The new project, entitled 'Géother-wall' represents an exceptional opportunity for Mons, and will feed into the city's 'Masterplan', with a majority of buildings constructed under this plan will be heating by geothermal.

Details on the Project:

- Drilling a new well at about 2500m depth, delivering a flow rate of 200m³ hour of water at a temperature of 70°C.
- Heating capacity of the well of 6 MW.
- Connecting many buildings and various pieces of infrastructure: convention center, hotel, new station, homes, offices, etc..
- Annual savings of more than 2100 tonnes of CO₂.
- Estimated investment of €6 million, 50% supported by the Walloon Region and the balance by IDEA.

Potential of Geothermal in Walloon Region:



'In Wallonia, we do not have gas, or petrol, but we have hot water!'

**Minister Jean-Marc Nollet
(Walloon Region) at the
launch of the 'Géother-wall'
Project**

€6 Million Grant for Geothermal Energy Project in Cornwall

Geothermal Engineering Ltd have been awarded a grant from the Regional Development fund in the UK. towards the cost of a geothermal plant in Cornwall. The plant will produce 10MW of electricity, to be fed into the National Grid; and 50MW of renewable heat energy, which will be made available for local use. 10MW of electricity is enough to power 20,000 homes, while 50MW of renewable heat is equivalent to the heat needed to supply 20 schools for a year.

Geothermal Engineering Ltd already has planning permission to build the plant, which is located at the United Downs, near Redruth in Cornwall. A pioneering research centre into geothermal energy is also planned in conjunction with the University of Exeter Sustainability Institute.

Geothermal Engineering Ltd aims to begin drilling the first well onsite in late 2012.



Regional Data Compilation Workshops: Next Editions!

The GEOELEC project continues to gather pace, as partners prepare for the next round of regional data compilation workshops in 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. For more information, contact com@egec.org.

Target Group	Date	Location
France, Italy, Slovenia and the Balkans	5 th December 2011	Milan, Italy.
Greece, Cyprus, Malta, Bulgaria, Romania and Turkey	20 th December 2011	Athens, Greece
The Netherlands, Belgium, Luxembourg, Denmark and Sweden	24 th January 2012	Utrecht, The Netherlands
Germany, Poland, Slovakia, Czech Republic, Hungary, Austria	29 th February 2012	Offenburg, Germany
Finland, Latvia, Lithuania, Estonia	March 2012	TBC



GEOELEC.EU is live!

[Read the first GEOELEC newsletter!](#)

Final Conference 8th December 2011 Brussels, Belgium



Started in 2009, QualiCert is a European project funded by the Intelligent Energy Europe programme of the Executive Agency for Competitiveness and Innovation (EACI) and was established following the adoption of the European directive on renewable energy sources (2009/28/EC).

The aim of this project is to help Member States setting up their national certification scheme or equivalent qualification scheme for installers of small-scale renewable energy systems, a requirement introduced by article 14 of the Directive.

To do so, the QualiCert team developed a manual of recommendations for Member States while drafting their schemes. These recommendations have been disseminated to the 5 countries participating in the project: Austria, France, Greece, Italy and Poland.

This conference will be the occasion to present the project outcomes and their impact at national levels as well as European level.

[See the invitation for the full programme.](#)

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

Events



5th to 7th 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.

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

December 2011

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

Website

QualiCert Final Conference, 8th December, Brussels, Belgium

Website

January 2012

GEA Geothermal Energy Finance Forum, 18th January, San Francisco, USA.

March 2012

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

Website

April 2012

Geothermal Asia Conference, 11th & 13th April, Jakarta, Indonesia.

European Geosciences Union General Assembly, 22nd—27th April, Vienna, Austria.

Website

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

Website

June 2012

Renewable Energy World Conference, 12—14 June, Cologne, Germany.

Website

European Sustainable Energy Week, 18—22 June, Brussels, Belgium.

Website