Brussels, Friday 29 April 2011

EGEC's answer to the EC Public Consultation on 'Permit Granting procedures'

EGEC welcomes the intention and initiative of the European Commission to show the path towards a sustainable development policy of the European Union.

EGEC is committing itself to actively support a transition into an energy economy which is fair to all citizens, provides a level playing field for all actors on the global scene, and aims at the goals of efficiency, sustainability, security and conservation of the local and world-wide environment.

Concerning the Communication "Energy infrastructure priorities for 2020 and beyond - A Blueprint for an integrated European energy network" (COM(2010) 677), the Commission defined in this communication EU priority corridors for the transport of electricity, gas and oil.
Being a Renewable Base load, geothermal energy is only considered for local electricity grids and district heating systems. It means also geothermal will not be affected by these huge external costs, rendering it even more competitive versus all over energy technologies.
We regret a connection to Iceland has not been proposed in order to receive a large amount of base load geothermal electricity at really low costs (5-7 € ct/kWh).

QUESTIONNAIRE

Your profile:

I answer this questionnaire on behalf of
o Other: Non profit association representing the geothermal sector

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Questions

Q1. As explained above, a complex and non-transparent procedural framework as well as poor administrative practice are major reasons for delays. There are different options which could help to facilitate **administrative procedures**. These include, as outlined in the Communication "Energy infrastructure priorities for 2020 and beyond – A Blueprint for an integrated European energy network", the establishment of a national contact and coordination body ("one-stop shop") per cross-border project, the introduction of a time limit, and the provision of rewards and incentives to regions or Member States which facilitate the permit granting process. Would you consider these measures as useful? If so, under which conditions? Are there any additional measures you would propose to facilitate the administrative procedures?

EGEC agrees with the issue detailed above. The simplifications of the procedures for energy infrastructures and for licensing of power plants are crucial:

- a one-stop-shop national body.
- reduce timing for licensing and granting process.
- Incentives can be considered but they must be added as externalities to the energy technologies interested by the infrastructure.

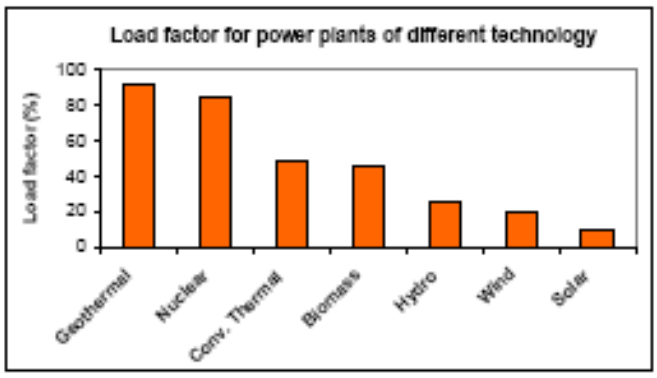
In order to reduce the costs, new energy infrastructure should be limited to the minimum by:

- developing renewable base load technologies such as geothermal
- promoting mainly local energy sources, so local energy infrastructures

Moreover, a larger part of the financing should go to district heating and cooling networks with renewable energy sources.

EGEC considers that geothermal being a renewable base load, available anywhere in Europe, producing electricity-heating and cooling, should be more supported by EU and national authorities.

Figure 1: Load factor of power plants in EU-27 (Eurostat figures, 2007)



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Q2. To increase the **transparency and predictability** of the permit granting process for all parties involved, guidelines targeted at ministries, local and regional authorities, project developers and affected citizens could be developed.
Would you consider them useful? Which issues should they address?

Guidelines could help if they are well designed and fair.
They should address:

- environmental impact and health problematic
- cost of externalities to be integrated to the energy costs of the technologies
- local rules for district heating

Q3. The lack of public acceptance poses a major hindrance for the implementation of energy infrastructure projects, and the associated achievement of energy and climate policy objectives. What should be done, apart from efforts to increase general transparency, to improve **communication with citizens** at an early stage of the project and to ensure that the environmental, security of supply, social and economic costs and benefits of a project are correctly understood? Who should be responsible for / involved in this communication?

Public acceptance is always a crucial issue. This barrier could be removed with:

- Public relations
- Public private partnership

Local meetings must be organised in order to explain:

- what are the costs and environmental issues
- who pay for what ?

Q4. Requirements for **compensation mechanisms**: In your opinion, could minimum or harmonised requirements on compensation of affected populations, targeted at individual or community level, help to increase public acceptance? Which compensation schemes would you deem useful, and who should provide for the compensation?

Such mechanisms are useful to overcome the NIMBY syndrome.
But these compensations are costly and they must be integrated to the energy technology cost.

In promoting local renewable energy and renewable base load technologies, less energy infrastructures will be required, and so less acceptance problems and financial issues.

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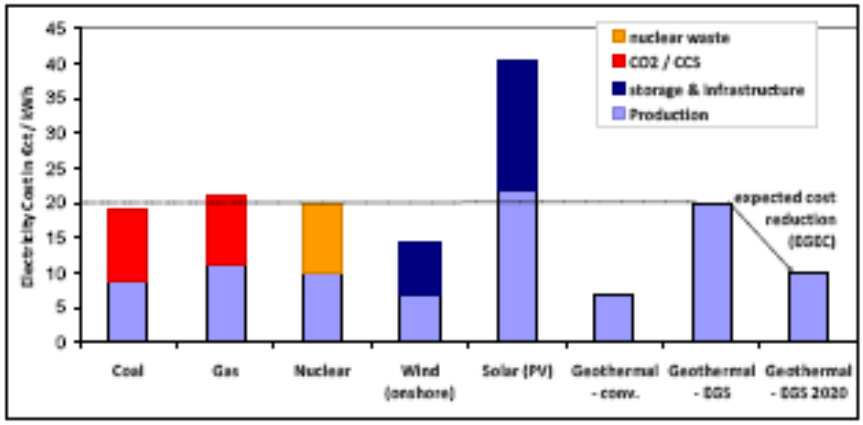
Figure 2: Energy costs with external costs (EGEC figures 2010, after AT Kearney analysis, June 2010 for ESTELA)



Q5. Have you encountered any national **best-practices** which have helped to facilitate the permit granting process? Which measures were taken in view of administrative procedures, transparency and communication with citizens, and how has the public responded?

Renewable energy base load technologies don't have any problems for grid integration.
For geothermal, examples exist in Europe:

- Tuscany (Italy)
- Soultz-sous-foret (France)
- Iceland

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