

EDITORIAL

POLICY

NEWS

PROJECTS

EVENTS

Dear members of EGEC, dear readers of this newsletter,

In the last issue, I commented on the plans the EU Commission had for the new state-aid rules. Meanwhile, these rules have been finalised, and the provisions under discussion are now in place. In short, the limiting of the options for support for renewable electricity to only one alternative, the market premium defined and allocated by technology-neutral bidding, will create a severe obstacle to the development of geothermal power production outside the known high-enthalpy areas. Or, as the headline of the related EGEC press release of 9th April says: "Does Brussels Aim to Freeze Energy Innovation?"

My personal hope is twofold: The best case would be if many EU member state governments jointly complain and start actions against the rules, which constitute a limitation of the right of the member states to define their own energy strategies. In case there is no critical mass of member states willing to defend their own rights in the energy field, then the second hope is that enough member states are willing to grant an exceptional status of 'non-developed renewable energy' at least to EGS and low-temperature geothermal power production, and, at least for some years, can keep it out of the general bidding procedure.



For the heating sector, there is momentum in the current political situation. The suggestion for an EU Energy Union made by the Polish Prime Minister Donald Tusk makes much sense – but only if it does not end up as a common gas and oil buyers' club, and instead helps to pave new ways for a sustainable supply. We need to become more independent from sources outside the EU, and instead of importing energy from the big neighbour in the East, from the Gulf region, or from wherever else, provide heating (and cooling) from the renewable resources in our own countries. A good chance to discuss the opportunities and to map the road towards more renewable heating will be the 2014 event of the RHC-Platform, scheduled for 22nd May 2014 in Brussels. More information can be found at [www.rhc-platform.org/events/5th-annual-event-of-the-rhc-platform](http://www.rhc-platform.org/events/5th-annual-event-of-the-rhc-platform)

While sunshine and warm spring air want to make me forget the need for heating, I am determined not to forget that the cold season is sure to come again, and that in most of Europe we will need a secure energy source to keep us warm. In the meantime, I can enjoy the beautiful spring season, knowing that also in a hot summer there are renewable options for comfort cooling, and continue working for the geothermal contribution to Europe's energy needs.

I wish you an interesting read,

Burkhard Sanner



EGEC is a non-profit membership organisation whose sole aim is the promotion of the geothermal industry. It supports its members by lobbying on their behalf.

More than 130 members from 28 countries (including private companies, national associations, consultants, research centres, geological surveys, and public authorities) make EGEC a strong and powerful network, uniting and representing the entire sector.

## European Commission adopts new rules on public support for renewable energy projects

On 9th April 2014 the European Commission adopted new rules on public support for projects in the field of environmental protection and energy (EEAG). The guidelines set the criteria according to which the Commission will approve new subsidy schemes from July 2014 until the end of 2020. They are available [on the Commission's website](#).

The EEAG drastically change operating aid for RES electricity. The common rule is the following:

as of 2016 operating aid for renewable installations above 0.5 MW is granted by way of a premium or certificates to operators which sell the electricity directly on the market and bear standard balancing costs. From 2017 feed-in premium is allocated via a technology-neutral bidding process open to all technologies regardless of their maturity.

"Member States, however, have the possibility of derogating from the mandatory bidding process (and feed-in premium) for technologies in an early stage of development in order to take into consideration their different levels of maturity, specific barriers as well as risk profiles" said Philippe Dumas, EGEC Secretary General in a press release (read the full version [here](#)). "Full market exposure is clearly not appropriate for geothermal energy at its current stage of development, and with many failures still present in the internal market". Indeed, in many countries, electricity prices are still regulated, so they do not reflect the full costs of the electricity generation technology; fossil fuel and nuclear sectors still receive many subsidies and electricity markets are very concentrated in the hands of the incumbents.

Full information is available in the policy update section of the EGEC [Members Corner](#). EGEC is working with its members on the implementation of the new framework and the secretariat should be contacted for more information and specialised support.

## German government agrees geothermal support reform

On the 8th of April 2014 the Federal Cabinet adopted the reform of the Germany's Renewable Energy Law (Erneuerbare-Energien-Gesetz, EEG). The amount of the basic grant for geothermal plants remains basically unchanged. The applied value increases by 0.2 cents/kWh and is set at EUR ct. 25.2 /kWh without any petrothermal (EGS) bonus. However, many EGS projects are still in the research stage and can be funded through the available research programmes (Additional note to §46 p. 218-219).

No digression of this tariff will be applied until January 2018, after which an annual decrease of 5% for new geothermal plants is expected. Under the plan, users of self-produced green electricity will now have to pay, at least partially, a controversial surcharge. However, an exception is made for electricity used for the operation of the power plant (e.g. for pumps and fans in ORC). The draft law, which must be approved by the German parliament, will apply to installations that go into operation from the 1st August. Projects that start operating later this year but were approved before 23 January will be subject to existing rules.

The new EEG brings more certainty for the long term deep geothermal development, where lengthy legislative processes are not very conducive and that is currently visible in our sector since one year, commented Dr Erwin Knapek (Wirtschaftsforum Geothermie e.V.). You can read the full WFG press release (in German) [here](#), while the draft law (in German) is available [here](#).

## EGEC updated analysis of support schemes for geothermal power is now available!

An updated overview of support schemes for electricity in Europe is available, exclusively for members, in the Policy Updates section of the EGEC [members' corner](#). A similar overview for geothermal heat was published in the [EGEC Market Report 2013-14](#).

## University of Strasbourg to develop geothermal Courses in France

This first Geothermal chair in France has been launched in collaboration with ES Energy, EOST (school of earth sciences, University of Strasbourg), and CNRS (national centre for scientific research) with a budget of 2.1 EUR MIO over eight years.

Geothermal courses will be based at EOST in Alsace, home to the Soultz-sous-Forêts project and a region which could see further development in the next few years. Frédéric Masson, EOST director said the initiative would set up “a virtuous cycle of basic and applied research, and vice-versa”.

## Turkish Government Support for Geothermal

The Turkish DG of Mineral research and Exploration has selected 20 cities for research into geothermal potential, with 9.4 EUR MIO being allocated. The cities include Ankara, which will receive particular attention, as well as Izmir, Manisa and Afyonkarahisar. Turkey is identified as a ‘hot market’ in the EREC Market report 2013/2014, and a more detailed analysis can be found inside.

## More Geothermal on Dominique

On the 19th March the French Foreign Ministry announced that a consortium made up of CDC infrastructure, GDF Suez, and NGE Group has officially made an agreement with the government of the island of Dominique for the development of a geothermal project on the island. The first phase of the project will concentrate on the development of the domestic market, whilst the second phase will concern the exportation to the rest of the French Antilles through a subsea cable.

The stalled project in Dominique seems to be back on track following the withdrawal of EDF in February 2013. Development of the project began in 2005, with 5 EUR MIO already being allocated, however questions were raised over the feasibility of the plant. Following a long arbitration process, the remaining project partners seem convinced of the probability of success and with the addition of GDF look set to continue.

## New French Research Permit Granted

On the 18th March The French Ministry of Ecology, sustainable development and energy granted a five year research permit for high temperature geothermal resources in Val de Drôme in the Ardeche and Drôme departments. The exclusive permit was granted to Fonroche Géothermie SAS

## Production Expected at Taufkirchen plant by the end of 2014

Ground was broken this month at the site of the German plant which is expected to produce 76GWh in heat and 26 GWh in electricity in 2015. Some wells were completed in 2012, finding water 133°C flowing at 120 l/s, and heat was already produced in 2013.

## Iceland Saving more than 770 EUR MIO per year Thanks to Geothermal District Heating

Calculating the savings Iceland makes by using geothermal district heating instead of oil, the Icelandic Energy Institute has demonstrated one of the key selling points of geothermal District Heating. This sector in particular is poised to achieve rapid growth across Europe, whilst growing concerns over the security of Europe’s gas supply may help put Geothermal in the spotlight. More information about the potential for Geothermal District Heating in Europe can be found on the GeoDH website [geodh.eu](http://geodh.eu).

## New project for the improving Geothermal Exploration: IMAGE

The IMAGE project (Integrated Methods for Advanced Geothermal Exploration) aims to develop better methods for understanding geothermal reservoirs, and therefore reduce the geological pre-drilling risk. It will assess the processes and properties which control critical exploration parameters, improve established techniques for imaging and detection, and will provide recommendations for a standardised European Resource assessment model. More information can be found at [www.image-fp7.eu](http://www.image-fp7.eu) and in the [project newsletter](#).

## UK: domestic RHI scheme launched

This month in the UK the domestic Renewable Heat Incentive (RHI) was launched. The new and innovative government scheme is the first long-term financial support programme for renewable heat, that offers homeowners payment to offset the cost of installing low carbon systems in their properties. This financial scheme is open to everyone, in particular home owners, social and private landlords and people who build their own homes. It covers different technologies, including the ground source heat for which a new tariff of 18.8 p/kWh (approx 22 EURct./kWh) was set. More information can be found [here](#).

---

## RHC-Platform Annual Event

---

### 2030 Reasons to Integrate Renewable Heating and Cooling

---



---

### Innovation, Technology Development, and Market Uptake

---

22 May 2014    9:30- 17:30    Free Event

---

#### What is the annual event of the RHC platform?

A joint consultation and policy-event. The morning session will be the presentation of the RHC-Platform Common Technology Roadmap to a wide range of stakeholders. In the afternoon, industry and decision-makers will discuss the role of RHC in the transformation of the energy system with a particular focus on the implementation of the current legislation and the Commission's proposal for a 2030 climate and energy framework.

#### Agenda

Representatives from the research, industry, and policy arenas will join us for presentations and panel debates.



Click [here](#) to view the draft agenda.

#### Who is the event for?

- Policy makers (European Commission, European Parliament, International bodies, national and regional governments)
- Scientists and researchers
- Energy Companies
- Construction sector
- Trade associations
- All members of the RHC platform
- NGOs active in energy

#### Practical information

The event is free of charge.

It will be held at the Representation of the State of Baden-Württemberg to the European Union on the 22nd May, 9:30-17:30, followed by a cocktail reception until 19:00.

Click [here](#) to view the venue and directions.

#### Registration

Registration is obligatory and must be completed by 16th May.

[Click here to Register](#)



**Promoting Geothermal District Heating in Europe.**

## European Conference on Geothermal District Heating postponed

The European Conference on Geothermal District Heating, due to be held on the 12 June has been postponed until late summer. The exact date will be published here soon.

Are you interested in geothermal District heating? Click to sign up to our mailing list

## Developing Sustainable Energy in your City? Best Practices for Shallow Geothermal Energy Systems

**Save the date**  
**23rd June 2014 - 12:30-18:15**



This workshop will give participants from Local Authorities Shallow Geothermal Energy Companies, the building sector, and Energy Service and HVAC companies the opportunity to:

- Understand developments in the Shallow Geothermal Market
- Find out about opportunities from Structural Funds
- Hear about Best practices.
- Find out about Training
- Learn how to use the project tools.

## Calendar

SEE Geothermal Conference	29 April 2014	Vecsé, Hungary	<a href="#">website</a>
ReGeoCities Training courses	March-August 2014	Across Europe	<a href="#">Website</a>
GeoDH training courses	April- September 2014	Across Europe	<a href="#">Website</a>
10th IGC (International Geothermal Congress)	14-16 May 2014	Freiburg, Germany	<a href="#">website</a>
Annual Event of the RHC- Platform	22 May 2014	Brussels, Belgium	<a href="#">Website</a>
GeoMol Project Conference	12 June 2014	Leoben, Austria	<a href="#">website</a>
Sistemi Geotermici Non Convenzionali	20 June 2014	Rome, Italy	<a href="#">Website</a>
ReGeoCities: Integrating shallow geothermal energy in cities at a local and regional level	23rd June 2014	Brussels, Belgium	<a href="#">Website</a>
2nd International Symposium on Energy Challenges and Mechanics	19-21 August 2014	Aberdeen, Scotland	<a href="#">website</a>

**E G E C**

EGEC MARKET REPORT 2013/2014



Third Edition,  
December 2013

**T**he Annual EGEC market report maps and analyses the **entire geothermal sector**, covering both electricity and heating&cooling uses.

It includes **market development analysis, financial tools and incentives, market forecasts, and key players**. The details of every electricity and large heating project (in operation, under development and under investigation) is given.

The market report is available to non EGEC members for €250, and is **free to members**.

Order your copy of the market report or find out more about joining EGEC by emailing [com@egec.org](mailto:com@egec.org).

### For Shallow Geothermal

The market- development so far, today, and until 2020

- Legislative developments
- Regulations, training, and quality
- Financial Incentives across Europe

### For Electricity

- Analysis of the turbine market
  - Market conditions
  - Market developments
  - Hot Markets
- Potential for Electricity development until 2050
  - Regulatory Framework
- Details of Existing, developing and planned electricity projects

### For District Heating

- New developments in 2012
  - Market Analysis
- Focus on three hot markets
  - Development potential
  - Business models
- Market conditions and competition
- Financial Support schemes across Europe