To:
Ms von der Leyen, President of the European Commission

Cc:
Mr Timmermans, Vice-President of the European Commission in charge of the Green Deal
Ms Simson, Commissioner for Energy
Ms Juul Jørgensen, Director-General of DG Energy

4 March, 2022

Dear Ms von der Leyen

Decreasing Europe’s dependency on gas imports through renewable heating and cooling

Thank you for your leadership in these unprecedented times.

We look forward to your plan to reduce Europe’s dependency on imported energy. It is important that the Communication on the Joint European Action for more affordable, secure and sustainable energy gives equal weight to geothermal alongside other renewable energy solutions because of its unique ability to provide baseload renewable heating, cooling, electricity as well as sustainably sourced supplies of lithium in Europe.

Now, more than ever, greater efforts are required to facilitate mass deployment of geothermal solutions which not only directly replace reliance on imported gas but also provide a pathway for the oil and gas sector to transition to renewables. It is vital to channel their capital, expertise and workforce into geothermal to accelerate climate action and economic development.

We recommend a ‘geothermal accelerator’ is included in the Communication which comprises:

- A European financial risk mitigation framework for large-scale renewable heating and cooling projects. This will de-risk geothermal district heating, power generation and lithium extraction capacity for local authorities and private investors. It is also relevant for other large-scale, capital intensive renewable energy projects.
• Creation of a **European Heat Infrastructure Fund**, similar in spirit to the Resilience & Recovery Facility, to finance large-scale renewable heating and cooling infrastructure for buildings and industrial hubs in the EU and neighbourhood countries. This will also support neighbourhood countries with fast-track access to EU technologies and expertise in the planning, design and construction of renewable heating and cooling systems.

• A **Geothermal Strategy** which seeks to identify barriers, propose measures to accelerate deployment and ensure that the public, business and industry can fully reap the benefits geothermal energy can offer.

• An **Energy Compact** which facilitates all European public and private consumers invest in geothermal heating and cooling systems through **Renewable Heating and Cooling Vouchers**, which cover the total cost of investing in individual, community or city-wide geothermal systems. These overcome the burden of upfront capital expenditure and allow the cost of installation to be repaid over a longer period, making them readily accessible now.

• Guidance on **Heat Purchase Agreements**, to help rural, agriculture, industrial, business, SMEs and corporations to invest in renewable heating and cooling systems.

• Mandate **Distribution System Operators (DSOs)** to design, develop and manage geothermal heating and cooling systems in multi-property buildings, large population centres and industrial hubs. This approach reduces the overall cost of investment whilst improving system efficiencies.

• A transparent, efficient and streamlined **regulatory and permitting** framework that ensures the possibility of project development across the EU, including simplified notification procedures for geothermal heat pump projects in defined ‘Go’ areas.

• The Commission will work towards the establishment of a **Global Geothermal Facility**, promoting the experience sharing of best practices and the export of European know-how on innovative geothermal energy technologies to neighbourhood and other countries.

• Geothermal Power Plants shall have priority access to **Capacity Remuneration Mechanisms** and other flexibility remuneration schemes.

• Support for **workforce skilling** to ensure clear pathways for workers to enter the geothermal sector and maintain its high standards of professionalism.

We look forward to the incorporation of these ideas into the final proposal and remain at your disposal should you require further information.

Yours sincerely

[Signature]

Philippe Dumas  
Secretary General  
European Geothermal Energy Council

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