GeoThermal Regulation - Heat (GTR-H)

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Project Summary

December 2009
Problem / Cause / Objectives

Problem:
• Strong regional variation in Geothermal Energy development

Suspected cause:
• Weak legal framework(s) for GEO energy
• Discouraging national policies & lack of incentives

Objectives GTR-H:
• Addressing non-technical barriers and regulatory deficiencies
• Creating a Template Legal Framework for geothermal energy
• Harmonising & improving national legislation & policies in EU

And (at the end of the day):
• Increase GEO energy contribution to RE heat in EU
Method/Steps

1) At national level in 4 weakly regulated countries:
   • Review and establish the regulatory barriers and deficiencies
   • Discussion and consultation with key actors and stakeholders

2) At national level in 3 better regulated countries:
   • Review best practice regulatory frameworks (study tours)
   • Identify legislative solutions & policies
   • Match solutions to weaknesses in unregulated countries

3) Development of template/preliminary legal framework

4) Consultation, adaptation of framework, dissemination
Results – Framework development (1)

GENERAL
– No single ‘Best Practice’ example was identified.
– Serious discrepancies in policies and incentive programmes across the EU were encountered – and this results in strong regional variations of geothermal energy use.

LEGAL
– Basic legal aspects of geothermal energy legislation (definitions, ownership & licensing authority) need to be addressed in appropriate Mining or Natural Resource Acts or – preferably - in a Geothermal Act, tailored to the sectoral needs.
– Licensing processes need to be streamlined and be proportionate to the proposed system (scale and impact).
Results – Framework development (2)

FINANCIAL INCENTIVES
- Financial incentives should be designed so that a “level playing field” is achieved for the various renewable energy options.
- Incentives could be based on the net CO$_2$ emissions avoidance from operating geothermal plants and/or a set of agreed heat feed-in tariffs based on a national feed-in tariff strategy for renewable heat and electricity.
- A well designed risk guarantee scheme is probably the most cost effective incentive scheme.

FLANKING MEASURES
- Appropriate organisational structures to develop a vision on geothermal energy potential (targets, policies) and the roadmaps and accompanying measures to implement this potential.
- These accompanying measures should include the provision of comprehensive information on geothermal energy and the introduction of the appropriate educational and training structures for professionals groups.
Energy from the Earth: the Sky is the Limit