

Development of the first Scheme in Hungary, The National Workshops in 2019

National Workshop, Budapest, June 2019

Scope: involving a larger part of the stakeholders (40 professionals)

Aims:

- Presenting GeoRisk Project,
- strengthening the engagement of the stakeholders,
- presenting existing schemes (Fra, Ned, Ger, Swi, Tur),
- selecting key stakeholders.

No.	Title	Options	Votes, %
1.	Scheme sponsor	a) State only	50
		b) State and when sustainable to be privatized	8
		c) Private	
		d) Public and private partnership	8
		e) International finance sources	34
		f) Other	
2.	Geographical scope	a) Hungary	20
		b) Hungary, neighbour countries can join (all countries finance their costs)	40
		c) Pannonian Basin	
		d) European Geothermal Risk Insurance Scheme	40
		e) International without country preference	
		f) Other	
3.	Professional scope	a) Only exploration is covered	22
		b) Exploration and operation (geological) risks are covered	45
		c) Exploration, operation, legal and financial risks are covered	33
		d) All possible risks are covered	
		e) Other	
4.	Geological Scope	a) Fractured formations	
		b) Sandstone formations	11
		c) Both formations	56
		d) All possible formations	33
		e) Other	
5.	Experience sample	a) French	9
		b) Dutch	27
		c) German	
		d) Swiss	
		e) Turkish	
		f) Mixed with Hungarian specialities	55
		g) None, a new approach is necessary	
		h) Other	9
6.	Insurance premium	a) 5-8%, plus 1-3% costs	20
		b) 8-12%, plus 1-3% costs	
		c) to be determined projects uniquely	70
		d) Other	10
7.	Risk cover	a) 40-60%, max amount determined	20
		b) 50-85%, max amount determined	50
		c) to be determined projects uniquely	30
		d) Other	
8.	Scheme Operation	a) Sponsor determines	33
		b) Sponsor determines, with international experts	56
		c) Other	11

National Workshop, Budapest, November 2019

Scope: discussing with key stakeholders (12 professionals)

Aims:

- Presenting the results of GeoRisk Project,
- Discussing the premises of the planned Hungarian Scheme

Development of the first Scheme in Hungary, Further Steps in 2020

No.	Title	Options
1.	Who should initiate the scheme	a) Government, National public initiative
		b) Experts, geothermal professionals, insurance companies (private)
		c) Investors, developers or drilling companies (public or private)
		d) International scope
		e) Other
2.	Strategic objectives	a) Launching and financing with regular state supports
		b) State launches, then privatizing
		c) Public-private Partnership
		d) Joining an existing international Risk Mitigation Scheme
		e) Other
3.	Eligible activities	a) Only electricity production projects and EGS is included
		b) All deep geothermal projects are included
		c) Deep, ATEs and Underground Storage projects are involved
		d) All geothermal projects are involved
		e) Other
4.	Geological scope	a) Fractured formations
		b) Sandstone formations
		c) Both formations
		d) All possible formations
		e) Other
5.	Insurance terms	a) Short term including drilling and testing wells
		b) Short term including the whole exploration phase
		c) Short and long term, including the operation phase
		d) Other
6.	Starting the operation of the scheme	a) Tendering processes
		b) Open fund, the developer applies
		c) Other
7.	Accreditation requirement	a) Scheme owner determines the experts and the Technical Committee and the professional level of the application documents in advance
		b) The earlier selected international expert team qualifies the applications separately
		c) Scheme owner selects expert team according to the changing tasks
		d) Other
8.	Financing form and processes	a) Grant, subsidized premium in advance, fee post-financed
		b) Warranty premium in advance, fee post-financed
		c) Loan in advance, repaid in case of success
		d) Other

Results so far

- The related Ministry decided to establish a Scheme
- Key stakeholders are ready to continue the National Forum
- A first draft Scheme was prepared

Further steps

- Continuing the National Forum with phone and internet conferences
- Organizing the next National Workshop with the key stakeholders
- Evaluating the results of the Forum and the Workshop and preparing a proposal for the Hungarian Scheme