

Ms Ditte Juul Jørgensen
Director General, DG Energy

3 June 2020

Dear Director General Juul Jørgensen,

Establishing an EU risk management scheme for geothermal energy

Geothermal energy is a source of renewable heating, cooling, baseload electricity and strategic raw materials such as lithium. Geothermal energy is critical to the success of the energy transition, reducing household energy bills and meeting the EU's 2050 zero-carbon target.

One of the chief barriers to successful, market-driven deployment of geothermal energy is the need to bring down drilling costs for large-scale projects. About 40-70% of the total cost of a geothermal project is dependent upon them.

Some Member States have introduced risk management schemes to mitigate potential risks in geothermal drilling. These lowered the total project cost which resulted in lower energy bills for consumers. The lack of an EU risk management scheme hinders the uptake of renewable geothermal across the EU, undermining achievement of the internal market for energy as well as the 2030 targets for climate mitigation and renewable energy.

Therefore, **the GEORISK Consortium asks for the establishment of an EU risk management scheme** as this is the most optimal means of empowering the private sector to deliver renewable energy investments and the EU Green Deal. This is the archetype of a Project of Common Interest and should be included in the Trans-European Networks for Energy (TEN-E) and the Connecting Europe Facility.

Geothermal district heating, which can decarbonise 25% of EU households within 5 years, has proven to reduce household energy bills. In France, the cost of geothermal district heating is as low as €15 per MWh compared to €61 for heating from gas. It is the optimal solution to solve fuel poverty, especially as between 50-125 million citizens are unable to afford adequate heating.

Your help and leadership in this vital area is of immense importance. EGEC and the GEORISK consortium look forward to working with you.

Yours sincerely

Philippe Dumas
EGEC, Secretary General
On behalf of the GEORISK Project Consortium



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