



## Hungary becomes the 7th Country in Europe to introduce a de-risking scheme for deep geothermal projects

Geothermal energy is one of the least exploited renewable energy sources in Hungary, but its broader use has a key role in achieving the 2050 climate neutrality goals of the country.

To foster geothermal project development, on 8th June 2021 the Hungarian Ministry of Innovation and Technology announced a Call for tender to support geothermal heating projects through covering the handling the geological risks of the first wells. With this special Call Hungary became the 7th country in Europe (after France, Germany, Netherlands, Switzerland, Iceland and Turkey) to have such a state-supported insurance scheme for geothermal. This has been achieved also thanks to the work done within the EU-funded GEORISK project.

In his press release, State Secretary of Energy Attila Steiner emphasized that “building on Hungary’s favourable natural assets, geothermal energy is a real option to substitute fossil fuels and as such, it perfectly fits the mid-term goals of the Energy Strategy to establish a secure, climate-friendly and innovative energy sector by 2030.”

As sustainable use of the abundant geothermal resources is a key issue in Hungary, especially regarding the low number of reinjection wells, the Call is supporting only projects with reinjection, i.e. drilling of doublets, or drilling only reinjection wells to complete already existing systems. The target depth is 1,000-2,500 m below the surface.

The total budget is 6 billion Hungarian forints (around € 16.6 million). The Call is open until 31st December and the application is continuous. Individual projects may range between 100 million to 2 billion Hungarian forints (between around € 278 and € 5.5 million). Eligible costs are related to drilling and testing. The reimbursement happens after the well tests are performed. The rate of success is determined by comparing actual flow rates and temperatures to those values pre-defined in the feasibility study submitted in the application. The reimbursement rate is 30% in case of success, 40% in case of partial success and 60% in case of unsuccessful projects.

Call text and supporting documents are available in the home page of the Mining and Geological Survey of Hungary, which is the designated programme operator.

