

General observations on Mid-Sized projects

Innovation Fund: 3rd call for large-scale projects workshop

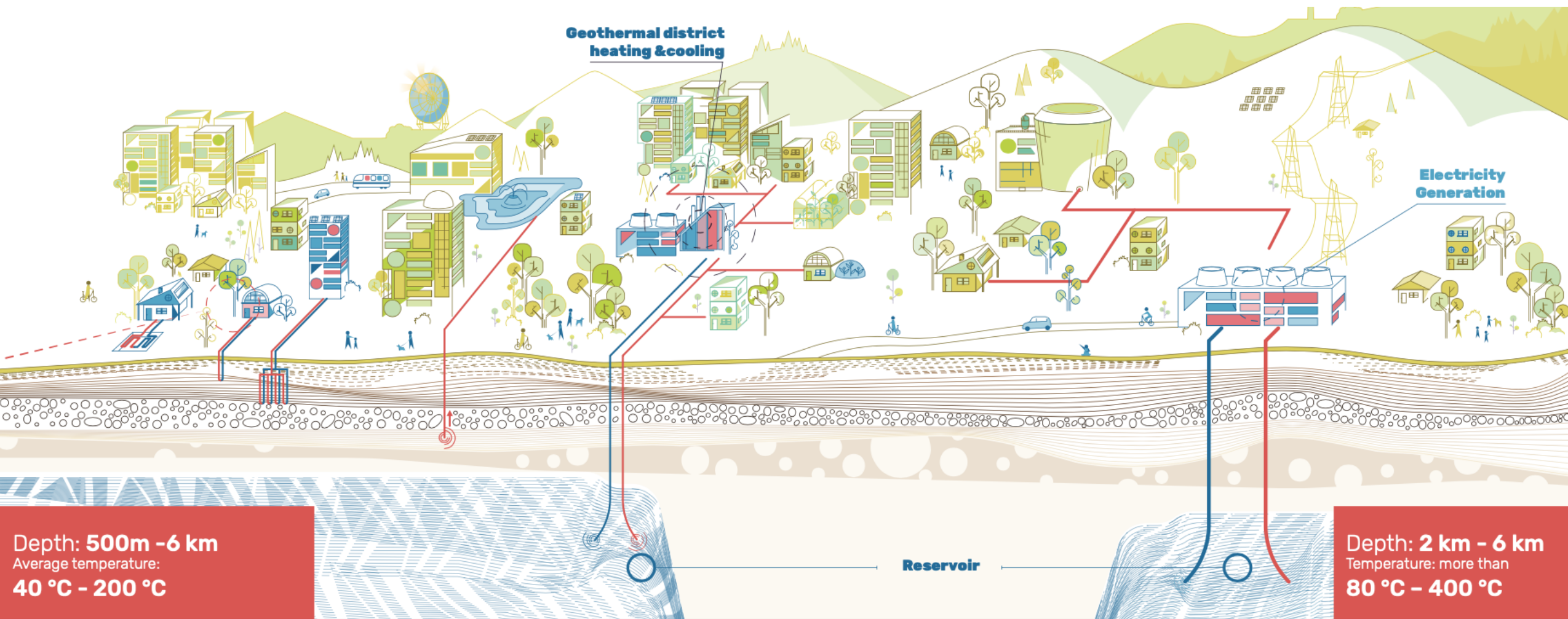
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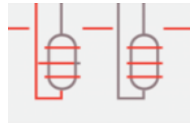
Geothermal is the multi-solution provider



Geothermal industry technological footprint



Geo Resources Assessment



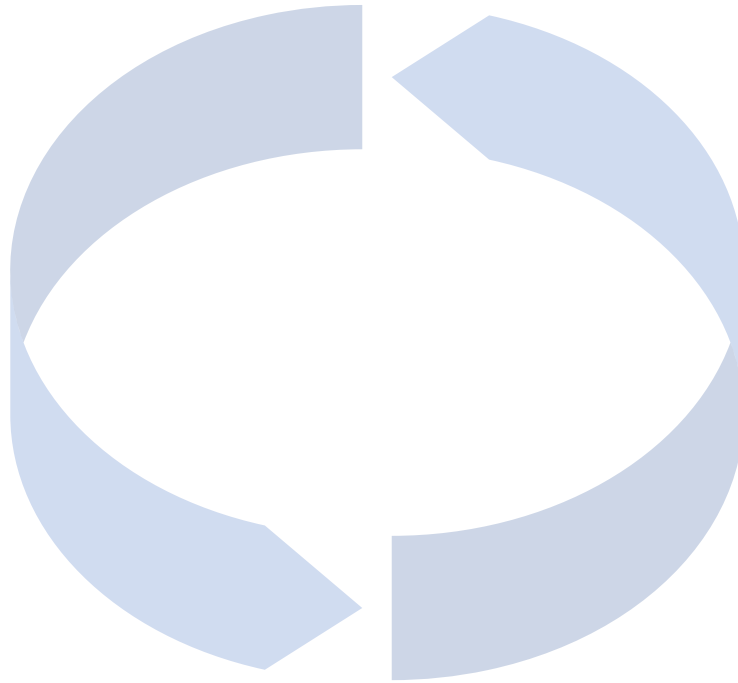
Power systems



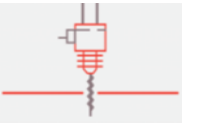
Materials



Power and thermal storage



Well Technologies



Heating & Cooling systems



Environment



Critical raw materials



Comments from the geothermal community

- **Experience from 1st and 2nd call:**
 - These had lots of applications from the geothermal sector but no approvals, to date. In one instance, a project passed the criteria but all the funding had already been allocated. In these situations, the project should automatically be funded once funds have been updated.
 - Resource intensive: The application process is resource intensive sometimes requiring the hiring of a dedicated staff member. This makes it difficult for smaller companies to apply.
- **Cost efficiency of the grant:** This favours large-scale projects for CCS/CCUS/electrolyzers. This actively discriminates against projects where support from the Innovation Fund is truly additional.
- **Prioritise 'first of kind' total solutions:** A technology with a proven concept should have greater priority for funding than a project which only focuses on the manufacture of equipment and/or components.
- **Claw-back:** Innovation Fund is meant to be result oriented. Therefore, failed projects must reimburse the grant!
- **Project maturity:** this must include the subsurface part of a geothermal project because geothermal energy comes from the subsurface. Excluding this means it is highly unlikely that a geothermal project would be able to qualify.
- **Funding scope:** This must include means to de-risk geological assessment and well engineering-related drilling costs, which are about 80-90% of all geothermal activities.

Recommendations for the award criteria

- **Medium-sized project call:** A Medium-sized project call is needed to support renewable power, heating and cooling projects to aid decarbonisation of industrial uses and energy supply. Geothermal projects are often around €50 million. We would like this to be a permanent feature of future IF calls.
- **Dedicated call for low-to-medium temperature renewable heating and cooling in industry:** More than half of the heating requirements in energy intensive industry are for low-to-medium temperature ranges. This was reflected in Recital 26 of the current proposal to reform the Renewable Energy Directive. Geothermal, Solar Thermal, large-scale heat pumps must have a level-playing field to be able to support industrial heat process decarbonisation with abundant local and cheap supplies of renewable heating and cooling solutions.
- **GWP of methane to be added to projects that replace fossil methane:** Where projects replace fossil methane, they are at a disadvantage against projects which replace coal because coal has a greater CO₂ intensity. Therefore, the short-term Global Warming Potential of methane must be included in the CO₂ replacement calculations when assessing projects that replace fossil methane.
- **Using milestone payments to de-risk projects:** Geothermal and other renewables such as ocean energy have a risk component which has held up successful projects in the Innovation Fund's awarding criteria.

Welcome to the Geothermal Decade

#GeothermalDecade

