

## **Comment from Iceland to the draft declaration of intent on geothermal energy**

From the Icelandic perspective the development of the declaration of intent is on a rather unfortunate route.

The development of the geothermal sources in a country depends on many factors that have to be in place. Identifying, exploring and harnessing the source, a strong legal and regulatory framework, the capacity in science, training and working skills to develop the source, the effective use of the multiple revenue streams that will arise, a cascading use combining electricity generation and heat generation and the development of the market. The successful economy of new projects is dependent on scientific development and the best technology but also in innovative solutions for creating maximum economical revenues from the projects which usually coincides with maximum CO2 reduction return on investments. System integration is also emphasized as a precondition for this work within action 1 and 2.

The somewhat out of proportion emphasis on enhanced geothermal systems addresses a relevant but a rather narrow subset of the technologies needed and is obviously not in line with the potential and interest of the member states that have been most active within the field.

Due to the integral nature of the projects as shown above it would be rather unfortunate to separate the community integration part from the generation part of the field. The energy system chapter is almost entirely focused on electricity generation and energy carrier in spite of earlier discussions in the SETPLAN that heat should be included as well.

Generation of geothermal heat can be in form of base load with constant generation over the year, as a variable production based on input of pumping energy and as a co product from electricity generation. In all cases storage technology is an integral part of the generation process in order to meet seasonal variations and peak loads in the hot water consumption and for a sustainable management of the resources.

Bestu kveðjur / Regards

Orkustofnun / National Energy Authority