

Methods to Improve Geothermal Project Development

SMU Geothermal Energy Utilization Associated with
Oil and Gas Development

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Challenges to the Geothermal Industry

- Knowledge of the industry
- Perceived cost
- Time to in service
- Limited pool of experienced professionals
- Project scale
- Remote resource location

Opportunities for Improvement

- Industry outreach
- Complementary experience pools
- Larger project portfolios
- Distributed applications
- Less policy support dependence



Challenges to Resource Identification and Development

- Available resource information
- Pre-drilling resource assessment tools
- Dry holes
- Cost to prove resource
- Exploration permitting

Opportunities for Improvement

- DOE initiatives – national resource database and co-funded drilling program
- Larger project portfolios
- Technical innovation
- Leverage complementary technologies



Challenges with Drilling and Facility Construction

- Lack of pricing premium in power purchase agreement negotiations
- Weakness in tax equity and project finance markets
- IDC vs. traditional tax equity positions
- Lack of stability/certainty in incentive and regulatory support policies

Opportunities for Improvement

- Define a premium for baseload/shapable non-emitting output
- New lending and tax equity participants
- Positioning in energy policy reform



Questions?



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