

New Facility Will Help Geothermal Exploration

Article printed from information provided by KfW Bankengruppe



The new facility will aid in funding for geothermal exploration. Photo courtesy of in2eastafrika.net

A new geothermal facility has been given its start with millions in funds being contributed by German-based promotional bank KfW Entwicklungsbank and provided by the European Union and German Ministry for Economic Cooperation and Development.

The facility's purpose is to aid geothermal exploration in the East African region by partially offsetting the financial risk of nondiscovery during the exploration drilling stage. It will do this by providing a grant amounting to 40% of costs associated with beginning geothermal exploration drilling for government and private projects. By reducing risks, the facility will attract investors helping the development of geothermal power plants in the area. It will serve several countries in the region including Ethiopia, Kenya, Rwanda, Tanzania, and Uganda.

The new facility is supported by many individuals including Dr. Norbert

Kloppenborg, an executive board member of KfW, who said, "The geothermal facility should make a significant contribution to improving electricity supply in East Africa in particular, for the poor population as well as small and medium sized enterprises. Furthermore, the expansion of geothermal energy sources leads to emission-free electricity generation and lower energy costs."

In the East African region, only one in every five households has access to electricity with the main source of production coming from hydropower. This becomes an issue when the region experiences droughts and excessive water shortage. Geothermal power, on the other hand, is very reliable, stable, and available; a must for an area where demand for electricity is increasing as its economy grows.

Countries located along the East African Rift (a volcanically active area) have an estimated potential to produce around 7000 megawatts (MWs) through geothermal resources. This number might seem small to most, but is rather large to a region whose electricity potential is currently only 4000 MWs.

Senate Passes Two Acts Concerning Geothermal

Adapted from a press release by the Geothermal Energy Association

This past December, the Senate Energy Committee passed two new leg-

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islations concerning geothermal exploration and development. The Geothermal Exploration and Technology Act of 2011 (S.1142) and the Geothermal Production Expansion Act of 2011 (S.1149) will help support geothermal research and exploration drilling, as well as the leasing and execution of the development of geothermal projects.

S. 1142 is sponsored by Senators Mark Begich, Lisa Murkowski, Harry Reid, and Jon Tester. It includes the following three major provisions:

1. The proposal of a new federal loan program which promotes geothermal exploratory drilling, mapping, and development of the nation's untapped geothermal potential.
2. Expansion of geothermal research dealing with direct use, as well as heat pump technology.
3. Facilitating the use of geothermal coproduction by federal oil and gas leases.

The S.1149 is sponsored by Mark Begich, Mike Crapo, Jeff Merkley, James Risch, and Ron Wyden. This bill will modify the federal all-competitive leasing statute concerning geothermal. The modifications will allow limited negotiated lease sales where new discoveries have been made.

"These measures will help the geothermal industry continue to grow and support new jobs, the adoption of new technology, and expanded U.S. exports," said Geothermal Energy Association Executive Director Karl Gawell. "The geothermal industry applauds the Senate Energy Committee for its work today."

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