

The Geothermal industry fear risks for investment in Italy

Italian government putting 10,000 jobs at risk and jeopardizing green investment by cutting support to geothermal energy

14 November 2018 - The Italian government, in a draft decree that includes negotiation on new support schemes for renewables (Schema di decreto sull'incentivazione delle Fonti di Energia Rinnovabile, FER1), intends to unilaterally cut support to geothermal energy in the country, a vicious attack against an industry that was born in Italy, has nearly 1 GWe of baseload renewable electricity installed (producing 6.2 TWh/year), and employs 3,000 direct workers, in addition to around 7,000 indirect and induced local jobs.

It also a baseless attack on climate, which – at a time when the climate impacts are starting to leave heavy marks across Italy – equals to calling for increased use of imported fossil energy.

The geothermal energy sector in Italy is a large industry composed of SMEs and large companies, which is highly innovative and is a leading actor in exporting across the world, thanks to a historically strong domestic market. Geothermal energy is widely recognized as a key renewable source for climate change mitigation, and Italy is leading innovation in this sector, with more than EUR 20 million of public investment for research, development and innovation on geothermal energy during the last 5 years. This decision of the Italian government means to willingly handicap a leading and recognized established Italian industry.

"With geothermal Italy has a great renewable resource, that led to the emergence of a cutting-edge Italian geothermal industry, which supports local economic and social development and that now helps other countries to develop their own geothermal sector. It would be an enormous mistake, while everyone is focusing on the energy transition, to take such a step back by cutting support to the geothermal sector," said Miklos Antics, President of EGEC, the European Geothermal Energy Council.

"By supporting such a retroactive change to support schemes, the Italian government undermines not only the great role that Italy's geothermal sector has historically played in the development of the sector globally, but also investor certainty and confidence in geothermal energy, in addition to jeopardising Italy's energy transition," said Alexander Richter, President of IGA, the International Geothermal Association.

Motivated by unknown reasons and with no scientific ground, the decision to cut support to geothermal energy has a direct impact on increasing carbon emissions, worsening air quality in the Tuscany region, cutting jobs, reducing investment and economic development, and reducing Italy's energy security. Indeed, on top of producing electricity, Italy's geothermal power plants supply low-cost renewable heat to Tuscan households and businesses, replacing thousands of fossil fuel boilers and their associated NO_x and particulate matter emissions.

"This decision is in direct violation of the principles agreed by all European governments, including Italy, in the recast Renewable Energy Directive, to not make retroactive changes to support schemes for renewable energy sources, and to announce well in advance upcoming changes," added Miklos Antics, President of EGEC.

"The Global Geothermal Community is concerned," said Alexander Richter, President of IGA. "Geothermal energy represents an inexhaustible natural source of energy, which can play a significant role in meeting the world's energy needs of the future. Geothermal energy is unique in its ability to serve multiple purposes in the global energy transition and create additional value to national economies by offering multiple uses of the resources, such as for heating of residential and business properties, greenhouse operations, as well as by-products such as health and beauty products, attracting tourism and deriving precious metals, such as lithium from geothermal brines. We are convinced that geothermal can serve as a bridge towards a sustainable future, supporting the transition from a fossil-fuel to a renewable-based economy also in Italy. The decision by the Italian government sends a devastating message to the international geothermal community, also in the context of the Italian representation

within the Global Geothermal Alliance of the International Renewable Energy Agency (IRENA) and the work of Italian companies internationally.”

IGA and EGEC ask the Italian government to come back on its preposterous resolution to withdraw support to geothermal energy, a renewable energy source that is key to the energy transition.



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