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## Funds flowing to geothermal

Matthew Warren | June 02, 2008

**THE Rudd Government has begun to improve its budget funding for clean energy technologies by redirecting up to \$20 million from solar this year so it can kick-start Australia's fledgling geothermal industry.**

Resources Minister Martin Ferguson will borrow money from the Government's \$150million energy innovation fund to help fledgling hot rocks companies drill expensive pilot wells up to 5km deep to explore massive reservoirs of underground heat.

A number of hot rocks companies are relying on the funding promised during last year's election campaign so they can begin work on drilling wells, which can cost up to \$15 million each.

While last month's budget honoured the promised funding to come out of the Government's \$400 million renewable energy fund, it did not kick off until the 2009-10 financial year.

The industry quickly pointed out the oversight, and Australian Geothermal Energy Association chief executive Susan Jeanes last night welcomed the decision.

"It would have been really disappointing, with all the emphasis on bringing large-scale technology, to have stalled the geothermal industry," she said.

Ms Jeanes said the geothermal industry had been tracking potential opposition from solar technology researchers, who will have some of their funding for this year delayed, but this did not appear to pose a problem.

However, the solar panel industry is still lobbying for changes to the Government's budget announcement that the generous \$8000 rebate for new photovoltaic cells would be means-tested at \$100,000.

Members of the solar industry met Environment Minister Peter Garrett and other representatives last Thursday, but are no closer to brokering a compromise to the changes they claim have caused their industry almost to collapse.

Mr Ferguson said the Government's decision would help bring large-scale geothermal energy a step closer to reality.

"Following consultation with industry it has become clear there are a number of very promising geothermal projects now ready to move to the proof-of-concept drilling stage, and this is very good news," he said.

"With drilling assistance from the Australian Government, it is hoped these projects will advance and become part of the solution to climate change and Australia's long-term energy security."

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