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Geothermal companies call for increased industry support

Three new geothermal companies searching for renewable energy in Victoria have today called for more support from the corporate sector and continued financial support from government.

These companies, Greenearth Energy Limited, Hot Rock Limited, and Granite Power Limited told a gathering of investors, stockbrokers, power industry leaders and government representatives in Melbourne that their innovative business models that generate environmentally sustainable electricity will have Victoria recognised as a world leader in reducing carbon pollution.

“We all know that any reduction of pollution will benefit our environment and existing industries, so I would strongly suggest that companies investigate energy innovation by negotiating joint ventures directly with us to unlock an enormous latent power and reduce the reliance on brown coal,” said Mr Rob Annells, Director of Greenearth Energy Ltd.

The meeting was told that natural earth heat or geothermal energy, when developed to its full potential, is expected to power base load electricity generators and thereby reduce Victoria’s reliance on highly polluting brown coal and, via the national grid, other State’s reliance on black coal.

“Since the innovative introduction of the Geothermal Energy Resources Act 2005 (GER Act), government should maintain their watching brief to guide the development of the geothermal industry in Victoria towards the future,” he said.

“In contrast, there is little meaningful support from Industry looking to share the risks inherent in the development of geothermal energy solutions and the financial rewards delivered after long-term electricity infrastructure becomes reality.

“We have already discovered hot water at a depth of only 2,100 meters in Gippsland – hot water flow that is encouraging because we have the potential to drill deeper to encounter much higher temperatures.

“We have major markets (i.e. the national electricity grid and Melbourne) on our doorstep.

“Individual companies will recognise this fact - those seeking geothermal energy solutions will share the benefits of lowered electricity costs and reduced pollution emissions.

“Unlike other sustainable energy sources, geothermal energy runs night and day, and models show that geothermal does have the capacity to deliver base load power into the existing grid.

“We are told by the Washington-based Centre for Global Development that Australia produces more than 10 tonnes of carbon dioxide from coal fired power stations per person, ranking us seventh worst in the world – so, I believe that relatively emission free geothermal technology must be adopted and supported by government, industry and the people of Victoria.”

Dr Mark Elliott, Managing Director of Hot Rock Limited said: “Hot Rock is exploring for geothermal energy in deep aquifers contained in the Otway Basin in South West Victoria

“Hot Rock has already announced four geothermal discoveries interpreted from oil and gas wells within their permit, which has recorded temperatures up to 143 degrees C, from depths around 3,500m.

“These temperatures and depths, using binary power plants used in other geothermal developments around the world, are potentially commercially attractive. Therefore, we are fast tracking our exploration program to an appraisal production testing stage and plan to be drilling our first production test well by early 2009 and installing a small 1MWe pilot plant by the end of 2009 to complete the “proof of concept” stage of development. After the pilot plant has run successfully, Hot Rock plans to develop its geothermal resources estimated to be 1,750MWe. Furthermore, the exit fluid from the power plants at around 70°C is hoped to attract new industries near the plants in regional Victoria that can use hot water for heating in their process,” he said.

Granite Power’s Managing Director, Stephen de Belle, said: “Granite Power has identified a large geothermal target south of Warragul, only 50km from Melbourne that looks to be capable of supporting a number of 250MW base load power stations. We have identified a large area with rock at ~200°C at 5km depth – which constitutes an economic development target. We plan to press ahead with development of a Pilot Power Generation Plant, which, subject to proper evaluation and regulatory approvals, would be expanded in stages to a Base Load Power Station – providing greenhouse gas free, renewable electricity in the medium term.”

“Respected international and domestic experts had forecast that the cost of this power would be approximately the same as for coal fired base load generation, and hence was expected to be attractive – in purely financial terms - to investors as well as consumers” he said.

“It’s not simply a ‘green game’, said Mr de Belle, “geothermal electricity generation must be seen as an attractive investment opportunity if it is to succeed. Granite Power’s analysis of its Victorian project suggests it should be appropriately attractive. In this context, we hope and expect that investors and government will support the geothermal industry’s various development efforts.”

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Hot water gushing from Trifon-2 near Sale