



7 November 2024

Dear Chair and Members of Klima-, Energi- og Forsyningsudvalget

Re.: Åbent ekspertmøde om Termonet (Open expert hearing on thermonet)

The European Geothermal Energy Council (EGEC) and the European Federation of Energy Communities (REScoop.eu) represent the entire value chain of the European geothermal, local authority and energy community sectors.

We are concerned about the Danish government's proposal to deny networked geothermal (also known as thermonets or 5th generation district heating and cooling networks – 5GDHC-networks) access to municipal loan guarantees by deciding to not let the technology be part of the Heat Supply Act in Danish law. This would inhibit and delay an important local, cost-effective and increasingly popular means of accelerating the energy transition for citizens, their energy communities, and municipalities, especially in rural areas. It would be a significant setback for Denmark's green transition and create inequality of opportunities for rural areas. Moreover, it could have significant negative ramifications across the rest of Europe as other countries seek to support renewable heating infrastructure, including both conventional district heating and 5GDHC, often with Denmark as a lighthouse example.

In recent times European institutions have applied political pressure to give both deep and shallow geothermal energy greater visibility and support in relation to district heating.

The European Parliament¹ called for a European geothermal strategy and industrial alliance to create a shallow and deep geothermal market to aid municipal governments, energy utilities and energy communities to convert to geothermal. Paragraph 2 of the resolution stresses "*the potential of the ubiquitous low-temperature, shallow geothermal resources that are available in all Member States*". Paragraph 9 "*Stresses that the greatest potential of geothermal energy use in the EU lies in district heating and cooling systems and networks of shallow geothermal installations*". Furthermore, Paragraph 32 calls on the member states to explore financial de-risking solutions for the initial project phase and construction phase of geothermal projects.

¹ European Parliament (2024) Geothermal energy. P9_TA(2024)0049
https://www.europarl.europa.eu/doceo/document/TA-9-2024-0049_EN.html;

The Committee of Regions² and the European Economic and Social Committee³ also agreed on similar resolutions. Meanwhile, Energy ministers are drafting Council conclusions on the need for a European action plan and industrial alliance on geothermal.⁴ These are to be agreed upon this December whilst the International Energy Agency's special report on geothermal will be published in November.⁵

We recommend that an option to provide municipal loan guarantees remain accessible to geothermal networks, known as thermonets in Denmark and 5GDHC-networks in academic literature.

Furthermore, we encourage you to adopt a broader law on energy communities, including options to provide municipal loan guarantees to local energy communities working with energy production and sharing, such as collective heating and cooling, networked geothermal systems and local electricity production.

We look forward to your response.

Yours sincerely



Philippe Dumas,
Secretary General
EGEC



Daan Creupelandt,
Coordinator
REScoop.eu

² Committee of Regions (26 July 2024) Localising energy production: The role of geothermal (C/2024/3663) https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:C_202403663

³ European Economic and Social Committee (2024) TEN/843-EESC-2024 <https://www.eesc.europa.eu/en/our-work/opinions-information-reports/opinions/potential-geothermal-energy-green-transition>

⁴ TTE Council, 2024, Informal Energy Council 15-16 September, 2014. <https://www.consilium.europa.eu/en/meetings/tte/2024/07/15-16/>

⁵ International Energy Agency 11 October 2024 workshop <https://www.iea.org/events/the-future-of-geothermal-workshop>