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For More Information Contact
Karl Gawell, 202-454-5264

US Geothermal Power Expanding Dramatically, New Industry Survey Finds

Some 58 new geothermal energy projects are now under development in the US, according to a survey by the Geothermal Energy Association (GEA) - the industry trade group. "This represents the US geothermal industry's most dramatic wave of expansion since the 1980s," noted Karl Gawell, GEA's Executive Director.

These projects, when developed, would provide up to 2,250 megawatts of electric power capacity, generating approximately 18 billion kilowatt-hours of electricity annually. These additions would serve the needs of 1.8 million households, producing electric power roughly equivalent to all US wind facilities operating in 2005. This would almost double installed US geothermal power capacity to over 5,000 MW, according to GEA.

"The good news is that federal and state incentives to promote geothermal energy are paying off. We are seeing a geothermal power renaissance in the US," stated Gawell. "The bad news is that some projects are already being put on hold because of the impending deadline for the federal production tax credit," he added.

As part of the Energy Policy Act of 2005, Congress expanded the full production tax credit (PTC) to include new geothermal facilities. Prior to 2005, the PTC was limited to new wind projects and has been widely credited with spurring the expansion of the US wind industry over the past decade. But, the deadline for plants to be on-line and qualify for the credit was extended for only two years, or to December 31, 2007.

"Geothermal and other baseload renewable power plants take several years to build and many of these plants can't be on-line by the December 31, 2007 deadline," Gawell stated. "The PTC deadline urgently needs to be extended."

The new GEA survey identifies power projects under development in Alaska, Arizona, California, Hawaii, Idaho, New Mexico, Nevada, Oregon and Utah and classifies their stage of development. Since the last survey in March, 2006, Alaska has been added to the list of states producing geothermal power and a dozen new US geothermal projects have been initiated.

Details of the new survey will be made public on Tuesday, November 14, at the Geothermal Development and Finance Workshop at the L'Enfant Plaza Hotel in Washington, D.C. The daylong event is sponsored by GEA and GLITNIR Bank of Iceland. It will feature speakers including Assistant Secretary of Energy Andrew Karsner; key House and Senate staff; leading geothermal project developers, financiers and consultants; and federal and state government representatives. More information about the workshop is available at www.geo-energy.org or (202) 454 - 5261.