



16 March 2010

Strategic Energy Initiative Issues Paper  
Office of Energy  
Level 9, 197 St Georges Terrace  
PERTH WA 6000

Dear Sir / Madam

The Australian Geothermal Energy Association (“AGEA”) is the national industry body representing the major geothermal energy explorers, developers and equipment and service providers. It pleased to be offered the opportunity to make a submission to the Office of Energy as part of the development of the Western Australian Strategic Energy Initiative.

Western Australia contains some of the most prospective areas for geothermal resources in Australia. These areas, which occur in the Perth Basin (including the Perth metropolitan area) and Pilbara region (Carnarvon Basin) are the only potential sources of large-scale, base-load renewable energy that can be developed within proximity to large markets and existing transmission infrastructure. Consequently, a thriving geothermal industry that delivers large amounts of emissions-free energy can be developed in Western Australia without substantial investment in new transmission infrastructure.

Geothermal energy from hot sedimentary aquifers (such as contained in the Perth Basin) and hot rocks are estimated to be the lowest cost of all renewable energy sources. Western Australia will benefit from the development of the geothermal industry through the provision of cheap, reliable, renewable, emissions-free, base-load power. Power from geothermal energy will be provided through the generation of electricity and the direct utilisation of heat to displace electricity use.

Under the current regulatory and legislative regime however, the development of geothermal energy is at commercial disadvantage compared to fossil fuels and other renewable energy sources. This is significantly hampering the rate at which geothermal resources can be developed in the State. Our attached submission outlines our concerns and provides suggestions for improvement.

We look forward to the draft Directions Paper as the next stage of the development of the Final Strategic Energy Initiative paper.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'Susan Jeanes', is written over a horizontal line.

**Susan Jeanes**  
**Chief Executive Officer**  
AUSTRALIAN GEOTHERMAL ENERGY ASSOCIATION  
*pp Alan Knights, Deputy Chairman*

**Australian Geothermal Energy Association**

PO Box 1048 Flagstaff Hill, South Australia, 5159, Australia

T : +61 (08) 8270 7227 E : [jeanes@senet.com.au](mailto:jeanes@senet.com.au) M: +61 (0)419 833 556 W: [www.agea.org.au](http://www.agea.org.au)