



THE SOULTZ EGS PROJECT:

JURIDICAL AND ADMINISTRATIVE ENVIRONMENT

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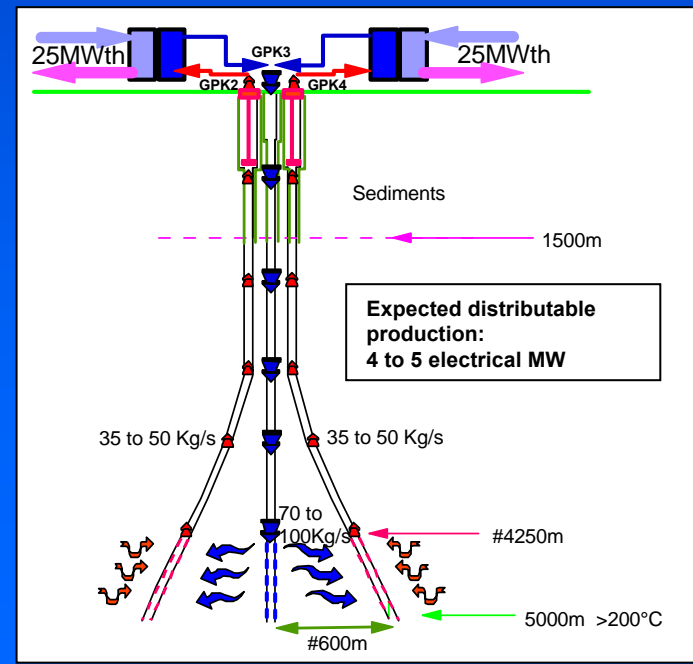
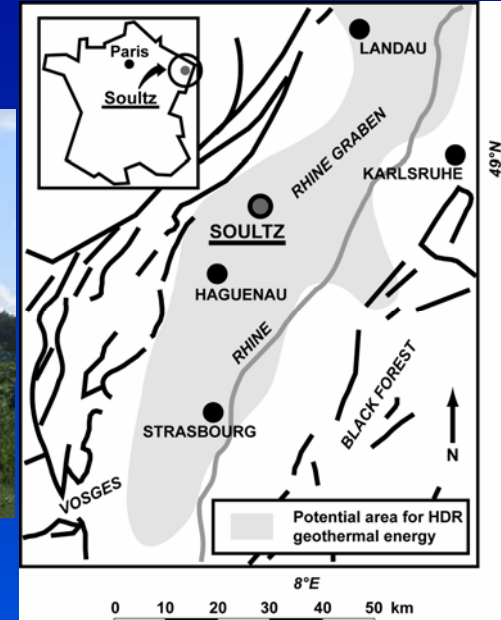
OUTLINE:

- **Overview of the Sultz EGS project**
- **Geothermal Research Exclusive Permit**
- **Exploration Workings Beginning Permit**
- **Exploitation Concession**
- **Plant Listed for Environment Conservation**
- **Conclusion**



OVERVIEW OF THE SOULTZ EGS PROJECT:

- Project started in 1987, aiming at producing electrical power from geothermal energy
- First well (GPK1) drilled to 3600 m depth in 1993
- Three deep wells (GPK-2, -3 & -4) drilled to 5 km depth in 1999, 2002 and 2004 respectively
- First successful 2-wells circulation test in 1997
- Successful 3-wells circulation test in 2005
- Installation of the plant (Downhole production pumps, surface facilities, electrical production unit) in the second half of 2007
- Start of electrical production: scheduled for beginning of 2008





ORGANIZATION:

- Funding Partners (Policy Group)

European Commission (EC)

ADEME (France)

BMU (Germany)

EEIG (*contributing members*)

- EEIG Members

(European Economic Interest Grouping)

Electricité de Strasbourg (ÉS)

Pfalzwerke (PW)

Electricité de France (EDF)

Energie Bade-Württemberg (EnBW)

STEAG

BESTEC (*non contributing member*)

- EEIG Partners (Consortium Agreement)

BRGM (France)

CNRS (France)

IFE (Norway)

DHM (Switzerland)

BGR (Germany)

GGA (Germany)

MeSy (Germany)

GTC (Germany)

- Other Partners

ARMINES (France)

GEOWATT (Switzerland)

EDF R&D (France & Germany)

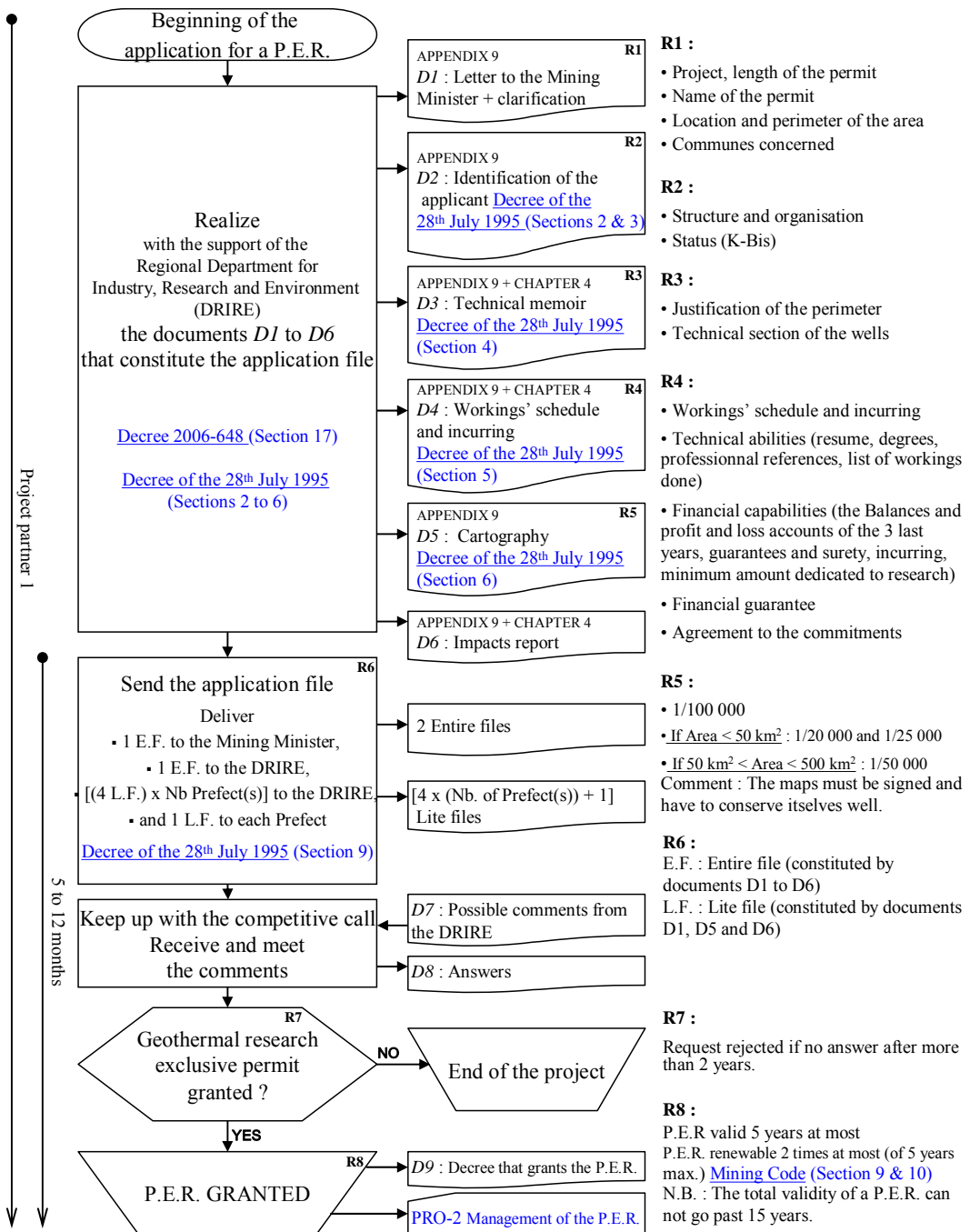


Geothermal Research Exclusive Permit:

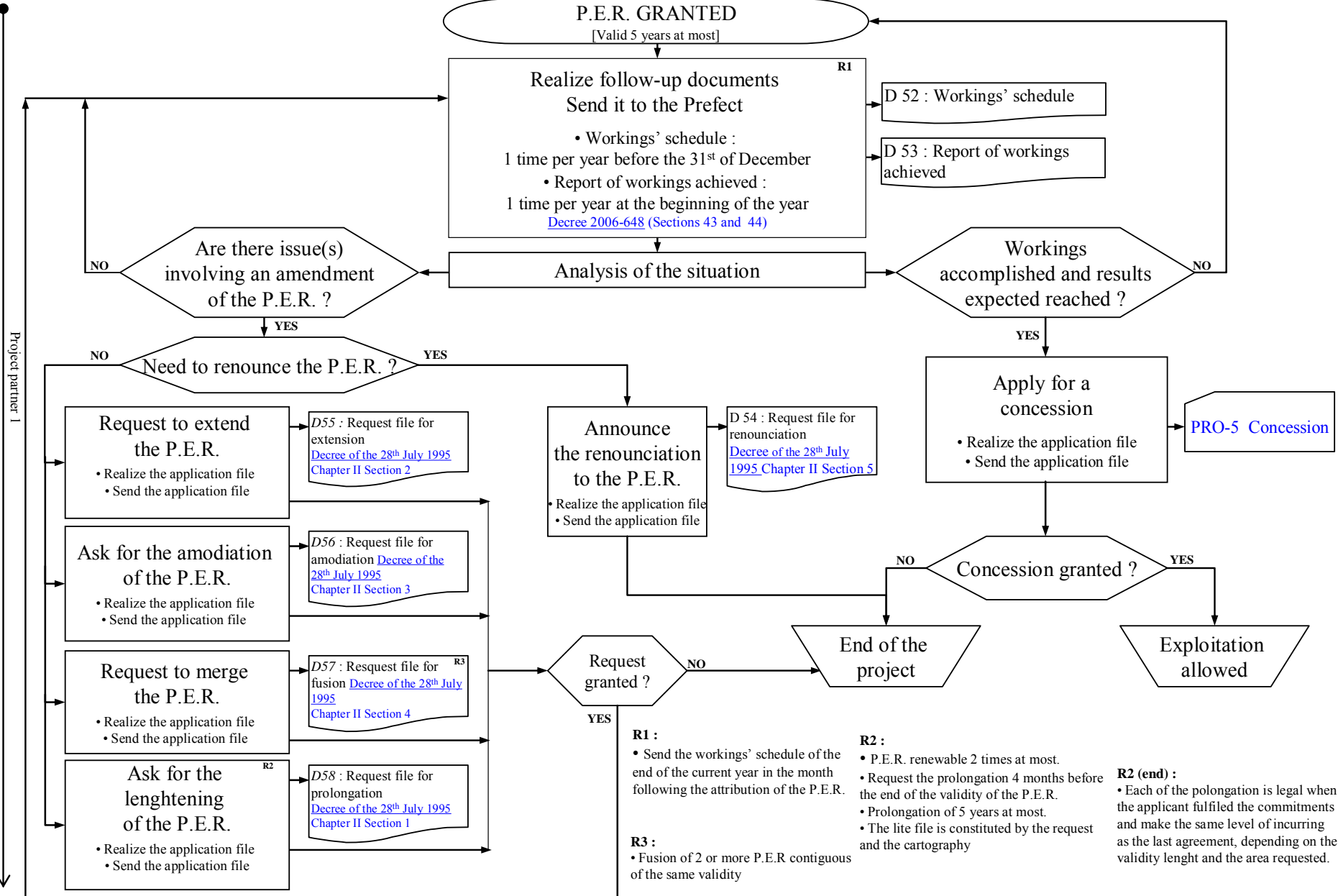
- **PER in French**
- **Determines an area within which the permit holder has exclusive rights of prospecting**
- **Application file to be sent to Mining Minister, DRIRE and Prefect**
- **Put in competitive call for 1 month**
- **Need 5 to 12 months to get the answer (rejected if no answer after more than 2 years)**
- **Valid for 5 years at most, renewable twice at most (5 years max each time)**



PRO-1 [P.E.R. : Geothermal research exclusive permit]



PRO-2 [Management of the P.E.R.]



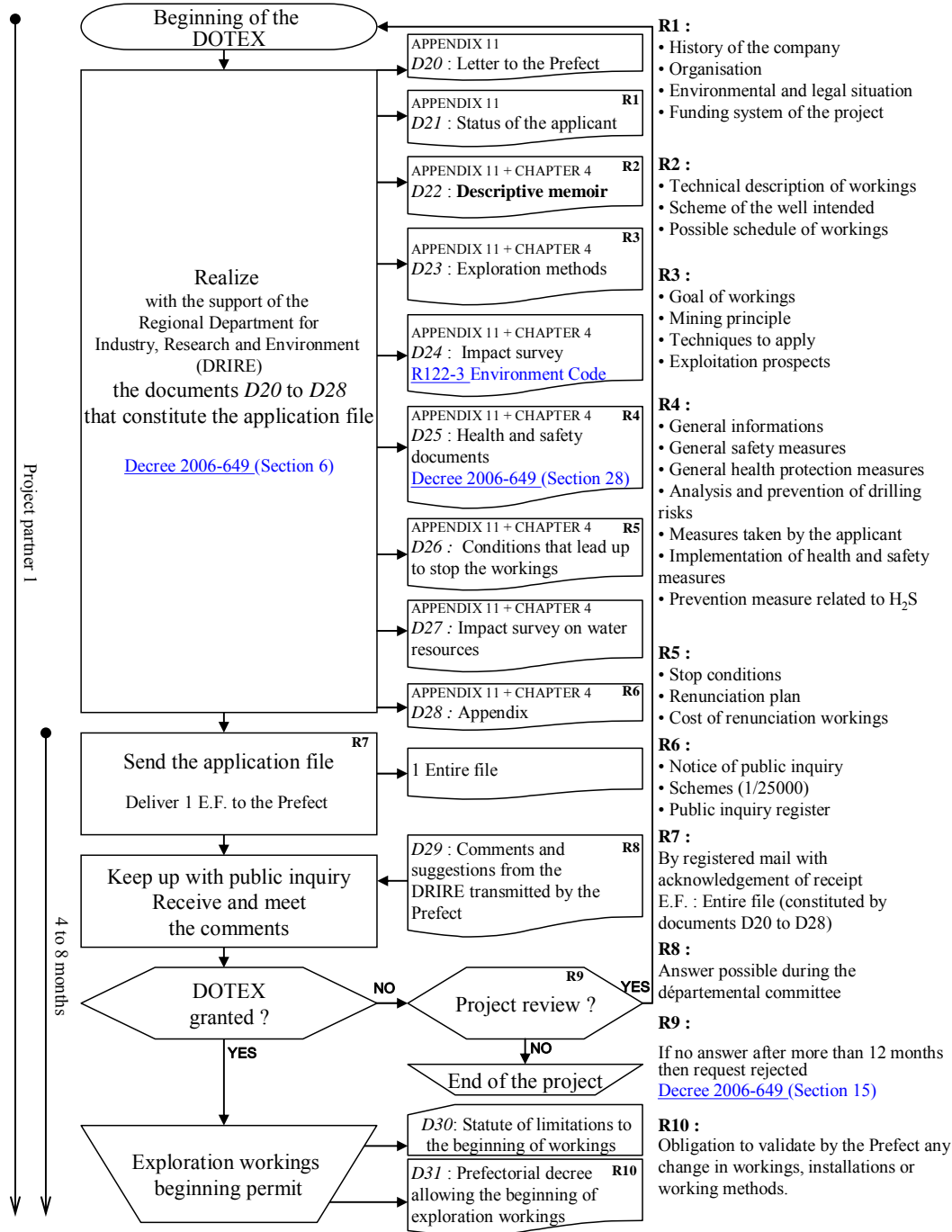


Exploration Workings Beginning Permit:

- **DOTEX in French**
- **Request to get the right to drill a well**
- **Application file to be sent to the Prefect**
- **Need a public inquiry**
- **Need 4 to 8 months to get the answer (rejected if no answer after more than 12 months)**



PRO-4 [DOTEX : Request for exploration workings beginning permit]





PRO-9 [Management of the DOTEX]



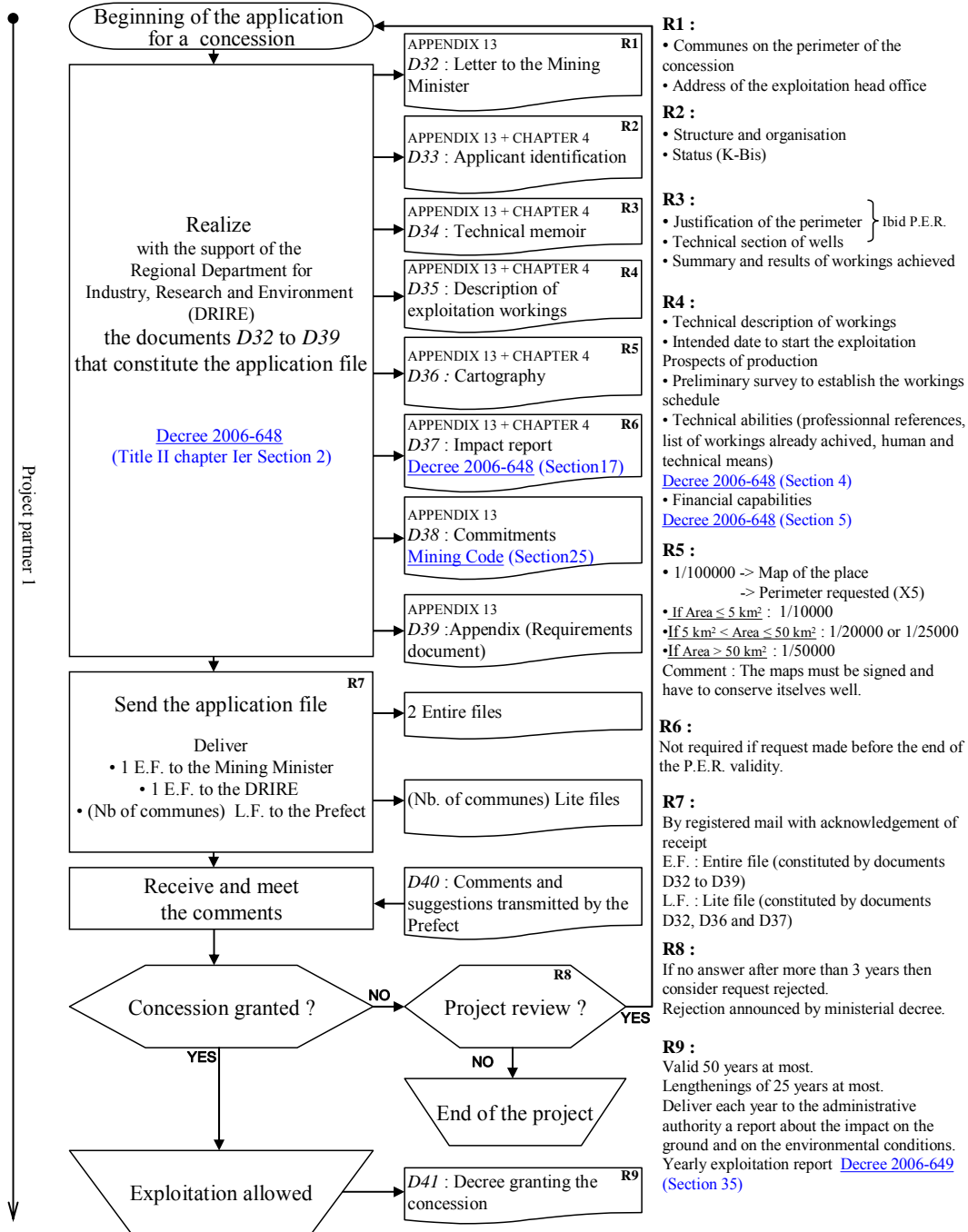


Exploitation Concession:

- Request to get the exploitation rights on the discovered geothermal field
- Application file to be sent to Mining Minister, DRIRE and Prefect
- Has to be requested 2 years before end of the PER
- Rejected if no answer after more than 3 years
- Valid for 50 years at most, can be lengthen for 25 years



PRO-5 [Request for Concession]



PRO-10 [Management of a Concession]

Exploitation permit

[Valid 50 years at most]

Assign one leadership

Mining Code (Section 78), Decree 2006-648 (Section 45)

Pay the rent to the State (every year)

Mining Code (Section 30 bis)

Realize follow-up documents

Report on the impacts on ground and environmental conditions (once a year)

Mining Code (Section 77)

Exploitation report (send to the Prefect before the 31st March of each year)

Decree 2006-649 (Section 35-36)

Respect the requirements document Decree 2006-648 (Section 45)

Put into practice exploitation methods that match economic conditions

Mining Code (Section 79-1)

Build hydraulic plant required Mining Code (Section 92)

Make available substances useful for nuclear energy Mining Code (Section 81)

Anticipate and monitor mining risks Mining Code (Section 93 à 96)

Maintain technical abilities and financial capabilities Decree 2006-648

(Section 43)

D71: Impact report

D72: Exploitation report

Year round

Respect Mining Code obligations (Owner, Health, Security, Salubrity) Mining Code (Section 69-76 and 79)

Analysis of the situation

Are there issue(s) involving an amendment of the concession ?

NO

YES

Need to renounce to the Concession ?

NO

YES

Request granted ?

YES

Announce the renunciation to the Concession

• Realize the application file
• Send the application file

D73: Request file for renunciation
Decree of the 28th July 1995
Chapter II Section 5

End of exploitation

D74: End of exploitation report
Mining Code (Section 91)

R1 :

Lengthening of 25 years at most.

Project partner 1

Request to extend the Concession

- Realize the application file
- Send the application file

D75: Request file for extension
Decree of the 28th July 1995
Chapter II Section 2

Ask for the amodiation of the Concession

- Realize the application file
- Send the application file

D76: Request file for amodiation
Decree of the 28th July 1995
Chapter II Section 3

Request to merge the Concession

- Realize the application file
- Send the application file

D77: Resquest file for fusion
Decree of the 28th July 1995
Chapter II Section 4

Ask for the lengthening of the Concession

- Realize the application file
- Send the application file

D78: Request file for prolongation
Decree of the 28th July 1995
Chapter II Section 1

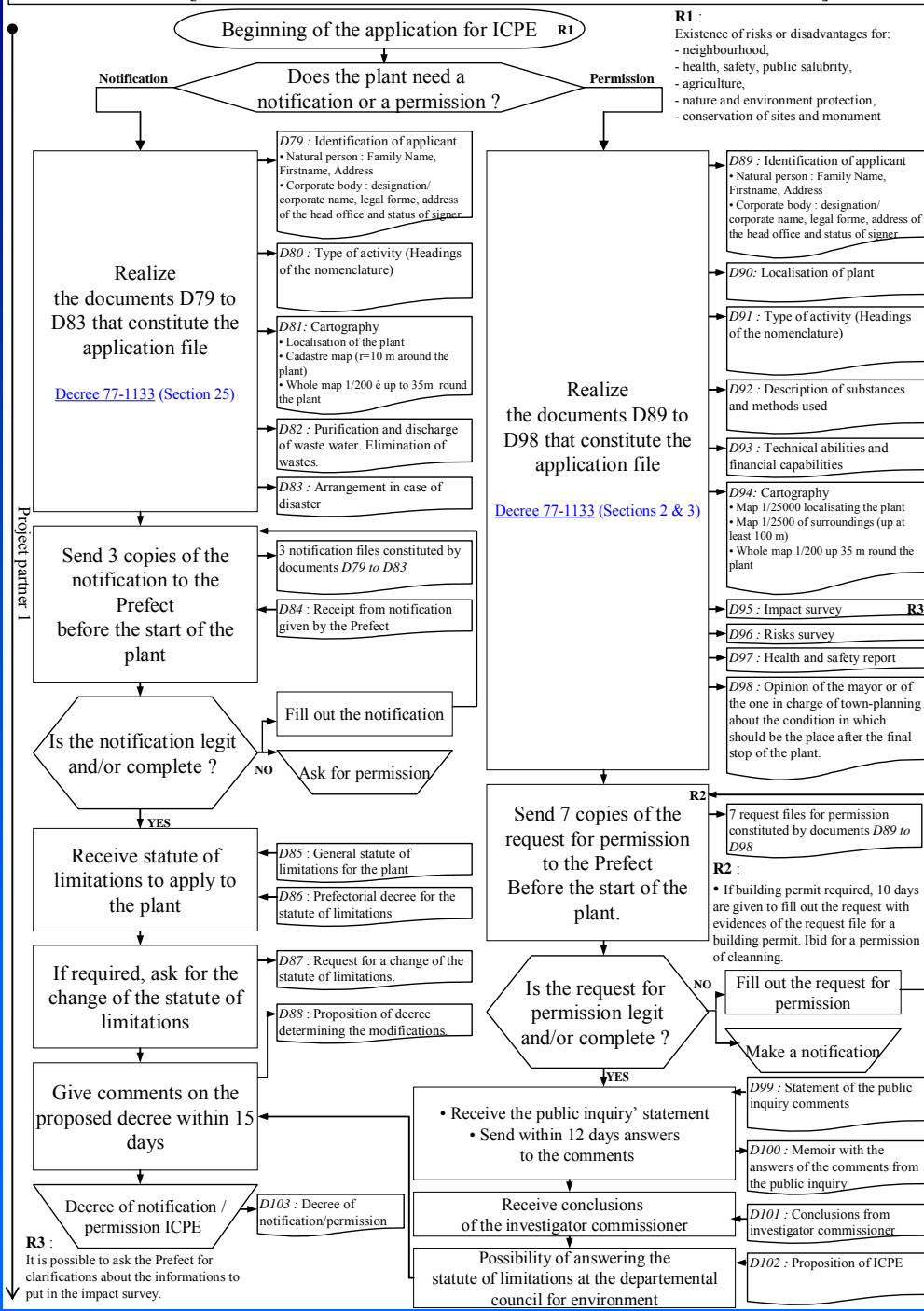


Plant listed for Environment Conservation:

- **Use of inflammable fluid in the power conversion unit**
→ **Plant listed for Environment Conservation (ICPE in french)**
- **Application file to be sent to Prefect**
- **2 cases: notification or permission**
- **Notification: procedure more simple**
- **Permission: need a public inquiry, report made by a commissioner after examination by different administrative authorities**
- **Application file could require at least 6 months to be fully studied**



PRO-11 [Statement of ICPE : Plant listed for Environmental Conservation]



Project partner 1

PRO-12 [Management of the ICPE notification/permission]

ICPE notification/permission Decree **R1**

Project partner 1

Did the plant start during the 3 years following the statement of notification/permission ?

Does the statement of notification/permission need to be re-established ?

Re-establish the notification or permission

PRO-11 Statement of ICPE

Notification/Permission re-established

Review of the project for change

Respect the decree' statute of limitations:

- Settlement and working conditions
- Analysis and measurement means required to control the plant and monitor the consequences on the Environment
- Requirements to handle results and measures to ICPE administration and water monitoring departement
- Measures taken in case of disaster
 - Archeological limitations
 - Final stop requirements
 - Plant working check

Notification/permission

- Work stop more than 2 consecutive years

Permission request

- Transfer, extension or change of facilities, change of methods leading to environmental risks
- Change of exploiter
- Re-work after a disaster
- Lengthening of a limited permission
- Nomenclature change, notification changed in permission

D104 : Check of the working of the plant
Decree 77-1133 (Section 17-2)

D105 : Notification de modification
Decree 77-1133 (Section 20)

D108 : Statement of accident
Decree 77-1133 (Section 38)

Bring to the Prefect attention

- any change to the plant, the methods or neighbourhood
- any accident

Analysis of the situation

Is the final stop of the plant planned ?

Notify the Prefect of the date of the final stop 3 months prior to it
Deliver to the mayor or to the person in charge of town-planning the maps of the site and surveys and/or reports on the environmental conditions

D106 : Notification of final stop
Decree 77-1133 (Section 34-1)

D107 : Maps, environmental surveys and list of activities on the site
Decree 77-1133 (Section 34-2)

Final stop of the plant according to the statute of limitations

R1 :
If the plant requires a permission, workings can not be started before the end of the public inquiry.





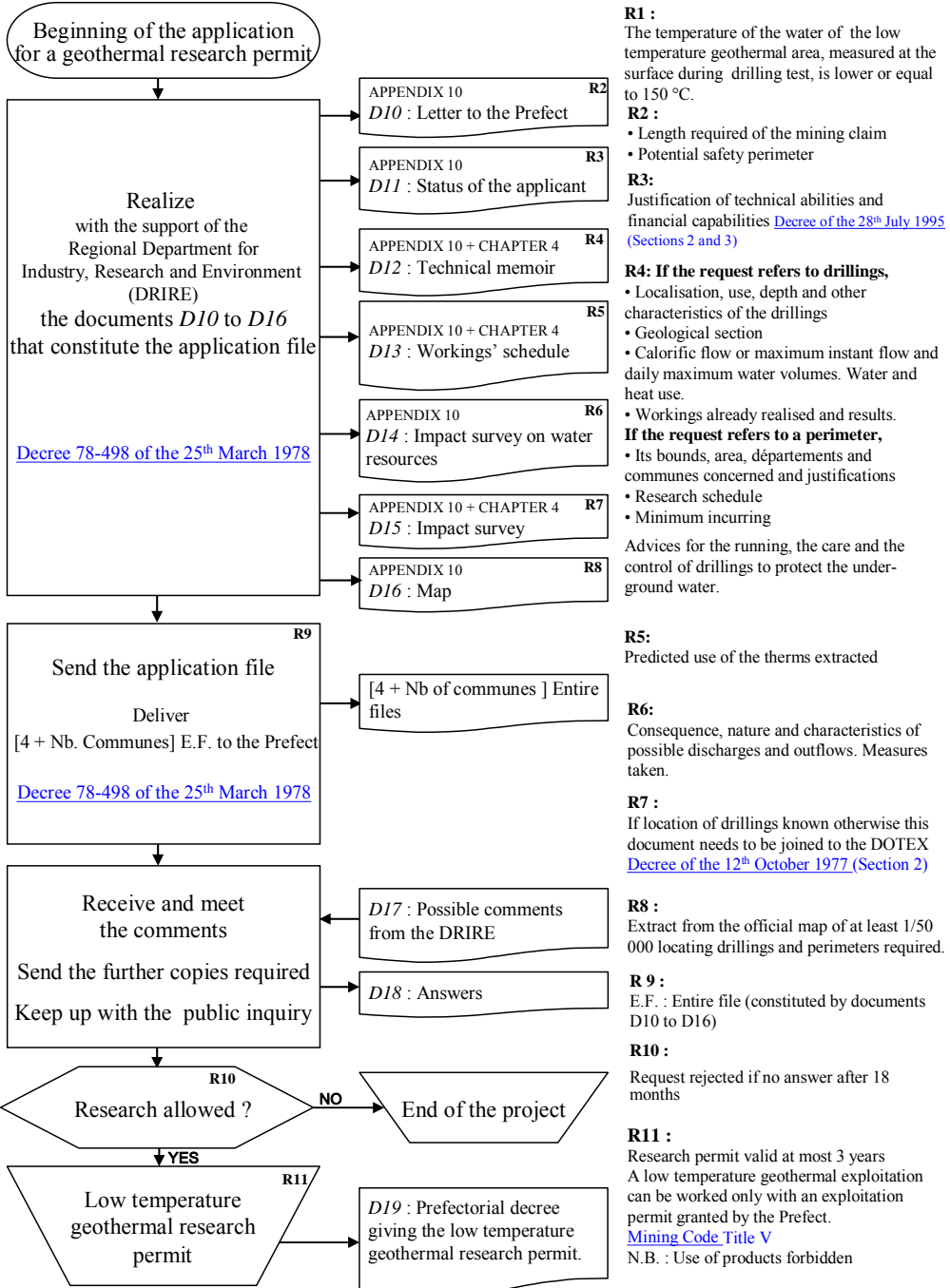
Conclusion:

- In France, there is no specific legislation for geothermal energy. All depends on the Mining Code.
- Numerous authorizations to get, before any stage of the development of the project.
- The examination of the requests for the different permits takes generally several months.
- The total duration of all administrative procedures, which are necessary to build a project, can be up to 3 years. In the best case, that is, without any opposition or complaints...



PRO-3[Request for low temperature geothermal research permit]

R1



Realize with the support of the Regional Department for Industry, Research and Environment (DRIRE) the documents *D10* to *D16* that constitute the application file

[Decree 78-498 of the 25th March 1978](#)

APPENDIX 10 **R2**
D10 : Letter to the Prefect

APPENDIX 10 **R3**
D11 : Status of the applicant

APPENDIX 10 + CHAPTER 4 **R4**
D12 : Technical memoir

APPENDIX 10 + CHAPTER 4 **R5**
D13 : Workings' schedule

APPENDIX 10 **R6**
D14 : Impact survey on water resources

APPENDIX 10 + CHAPTER 4 **R7**
D15 : Impact survey

APPENDIX 10 **R8**
D16 : Map

R9
Send the application file

Deliver [4 + Nb. Communes] E.F. to the Prefect

[Decree 78-498 of the 25th March 1978](#)

[4 + Nb of communes] Entire files

Receive and meet the comments

Send the further copies required

Keep up with the public inquiry

D17 : Possible comments from the DRIRE

D18 : Answers

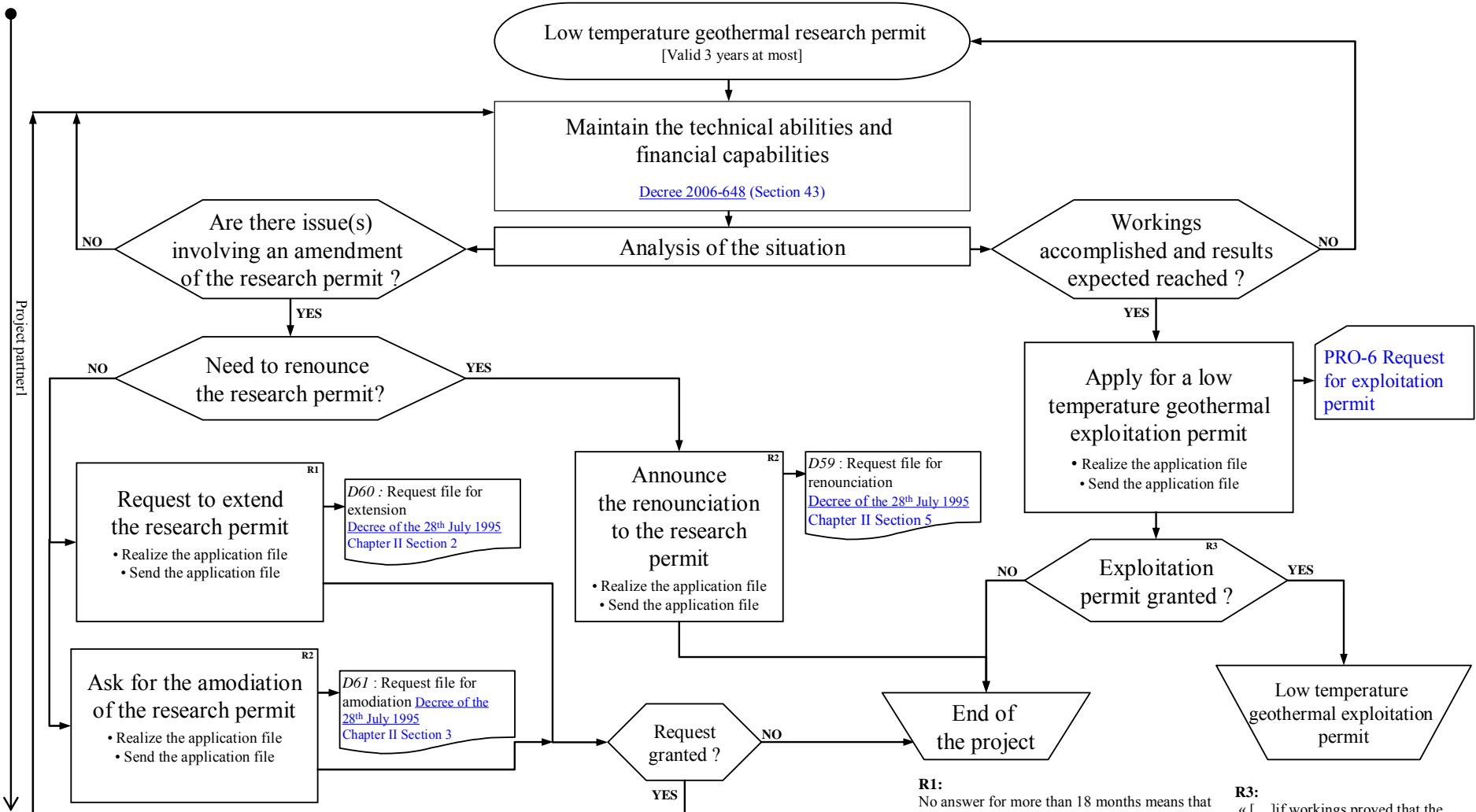
R10
Research allowed ?

NO → End of the project

YES → **R11**
Low temperature geothermal research permit

D19 : Prefectorial decree giving the low temperature geothermal research permit.

PRO-7 [Management of low temperature geothermal research permit]



R1:
No answer for more than 18 months means that the request is rejected.
[Decree 78-498 of the 28th March 1978 \(Section 14\)](#)

R2:
No answer for more than 1 year means that the request is rejected.
[Decree 78-498 of the 28th March 1978\(Section 14\)](#)

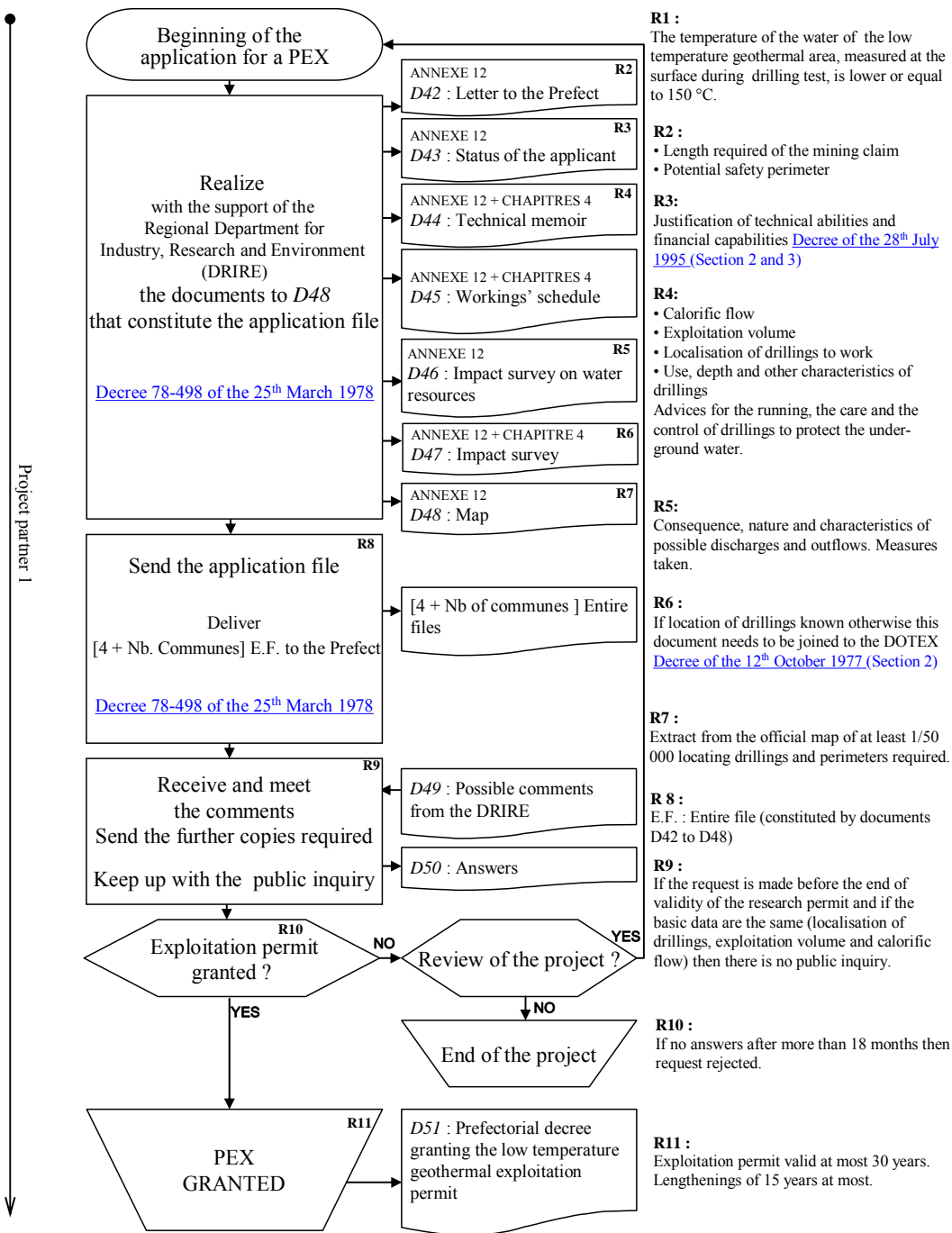
R3:
« [...]if workings proved that the geothermal plant can be worked and if the request is made before the end of validity of the research permit then the applicant is eligible for an exploitation permit. »
« Low temperature geothermal plants can not be worked without an exploitation permit granted by the Prefect.» [Mining Code \(Section 99\)](#)

Project partner



PRO-6 [PEX : Low temperature geothermal exploitation permit]

R1





PRO-8 [Management of the PEX]

