



DECLARATION

of the Hungarian Geothermal Association on the current situation of geothermal energy utilization in Hungary

The Hungarian Geothermal Association is seriously concerned about the current state of geothermal energy utilization and its handling by the Hungarian Government.

During the last 6 decades the geothermal utilisation of thermal water, although with a periodically varying rate, has steadily increased. Our country gaining full membership of the EU, funds becoming available for the geothermal sector, have boosted its development. Several successful projects have been set up and innovation has been started. This development was blocked by the lack of calls for new tenders, and that since the beginning of 2013 there have been no meaningful tenders launched, nor have the submitted applications been evaluated. At the same time, it can be observed that some projects are still receiving significant non-refundable funds, however, their preparation, planning, risk assessment, evaluation and handling are not appropriate. This erroneous grant practice has often led to unsuccessful exploitation of thermal water, and also resulted in not- or non-well-functioning equipment, for example at Kiskunhalas and Nagyszénás.

Being not rich enough, Hungary can't afford the luxury of supporting inappropriately prepared high risk projects, often poorly planned and implemented, when there is ample opportunity to exploit thermal water without risk, as well as to apply 21st century surface technology.

Besides the uncertain regulatory framework (Mining Law Act vs. Act of Water Management) and stagnating concessional harnessing of geothermal energy, the reason for its decline of utilisation is inappropriate governmental management.

Budapest, 3rd May, 2017

Gábor Szita
President