



## Staff Report - Item 02

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**To:** Sonoma Clean Power Authority Community Advisory Committee

**From:** Ryan Tracey, Director of Planning & Analytics  
Geof Syphers, Chief Executive Officer  
Miles Horton, Legislative Policy & Community Engagement Manager  
Claudia Sisomphou, Public Affairs & Advocacy Manager

**Issue:** Receive Geothermal Opportunity Zone Update

**Date:** March 21, 2024

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### Background

The Geothermal Opportunity Zone (GeoZone) is SCP's initiative to guide the development of local geothermal power that is compatible with community values and enables SCP to phase-out its dependence on natural gas power plants for reliability. The Community Advisory Committee (Committee) meetings are a regularly scheduled public forum for the community to receive updates and provide input on the GeoZone. The updates provided to the Committee each month, and minutes from any discussion are posted on SCP's website at <https://sonomacleanpower.org/geozone-public-updates>. Staff incorporate any feedback received from the Committee presentation into the monthly updates to the Board of Directors. Additional background on the GeoZone can be found on the GeoZone webpage at <https://sonomacleanpower.org/geozone>.

### Grant Funding

In the February 15<sup>th</sup> CAC meeting, staff shared a verbal update that the Department of Energy's Geothermal Technology Office [announced they selected Chevron New Energies' pilot demonstration project](#) in the GeoZone for award negotiation as part of the Bi-partisan Infrastructure Law's Enhanced Geothermal Systems (EGS) Demonstration grant program. Funding from the Department of Energy will support the deployment of innovative technologies that can reduce well costs and increase productivity to support widespread commercial deployment of EGS. More details on the grant will be available after Chevron New Energies completes negotiations with the Department of Energy—a process that typically takes 60 days.

SCP and Cyrq Energy are preparing for a potential application to the California Energy Commission's (CEC) [Long Duration Energy Storage Program](#) that is expected to be released this summer. A key focus this Spring for the Cyrq project will be securing a commitment from an existing Geysers operator to host the project and ensuring the technical readiness of the thermal energy storage system to maximize the competitiveness of an application. The CEC is expected to fund four or so projects out of their \$70 million budget.

The CEC also recently released a grant solicitation for its [Geothermal Grant and Loan Program](#). The geothermal grant and loan program is funded from royalties the state receives from geothermal production on state-owned land. Awards from the grant are capped at \$1.5 million and likely insufficient to fund substantial demonstration or technical work in the GeoZone but could be very impactful in supporting early planning and technical work. SCP will be engaging local jurisdictions to see if there is interest in a joint application to fund technical work that better equips the region for evaluating projects for geothermal exploration and development.

## **GeoZone Project Updates**

Chevron New Energies is currently focused on site acquisition and negotiating the grant award with the Department of Energy. The next key focus for Chevron New Energies will be preparing for the permitting process for exploration drilling, expanding community engagement, and acquiring data to assist with subsurface project design.

Eavor is completing its GeoZone feasibility study—including a comprehensive look at geologic conditions and site opportunities that are conducive to Eavor-loop development. Meanwhile, Eavor has started drilling the Eavor-Loop for its first [commercial project in Gerestried, Germany](#)—a key milestone in its technology roadmap to improve drilling efficiency to enable commerciality of applying their technology in the GeoZone.

Cyrq Energy is completing technical work to demonstrate the compatibility of its long-duration energy storage system technology with facilities at the Geysers. Cyrq is also reviewing candidate thermal energy storage technologies that are suitable for the CEC's upcoming solicitation—which is expected to require technology that has passed the initial demonstration phase. Cyrq and SCP are coordinating on evaluating the commerciality of adding storage to the Geysers and exploring different contractual structures.

SCP continues to meet with each GeoZone partner on a bi-weekly basis to validate progress towards milestones in the cooperation agreements and identify opportunities

to partner in overcoming hurdles to GeoZone development.

### **Community Engagement**

SCP staff is focusing its community engagement work in early 2024 on capturing lessons learned from other organizations that can be incorporated into its own plans for community engagement at the GeoZone. In February, SCP met with Clean Air Task Force to discuss the work they've completed in understanding community receptiveness to next-generation geothermal technologies. In March, staff attended a webinar workshop on community benefits and engagement for offshore wind. Staff anticipate development of a more programmatic approach to GeoZone community engagement by summer 2024.

Claudia Sisomphou was recently promoted to Public Affairs and Advocacy Manager and will be supporting GeoZone engagement alongside Legislative Policy and Community Engagement Manager, Miles Horton, in her new role.