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GEOHERMAL PROJECT

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Four Corners Regional Commission

A. Introduction

Since I am virtually unknown to you, a few words about my background may be in order.

As senior policy officer for FCRC, I am primarily responsible for program research, planning and advocacy.

My background is as a professional engineer with an advanced degree in marketing.

I was previously employed as an advanced planner with Public Service Company of New Mexico where among other things was directly involved in feasibility analysis and negotiation of project financing for the BACA Geothermal Demonstration Project.

Also here today to comment briefly on his agency's developing geothermal program is Jack Harmon of FmHA.

B. FCRC Efforts in Geothermal

In general the objective of the regional commission program is the mitigation of economic distress. This can take the form of rural economic development programs aimed at creating jobs and improving the quality of life or it may take the form of assistance in reducing the impacts of economic growth such as those forecast to result from the implacement of the MX missile system in Utah and Nevada.

Our approach to a program such as geothermal development involves three fundamental avenues. We may attempt to use one or all of these in a given case. These are:

1. Fill institutional gaps not addressed by other federal and state programs;
2. Use of FCRC investments as catalyst to bring other federal investments to bear;

3. Demonstration projects as a "Bank of Last Resort."

Historically, for the last couple of years anyway, FCRC has concentrated its geothermal investment in the DOE state coupled resource assessment effort. The work being completed by the state teams is clearly an institutional requisite; and my understanding is that FCRC was at least partially instrumental in initially leveraging other federal funds.

The limitation of past commercialization efforts, as I see it, is that we have been in the mode of dealing with innovators and early adopters, risk takers by definition. We have not been able to make it easy for the average businessman or homeowner to "plug in" to geothermal energy at a reasonable cost and convenience.

The FCRC, or to put it another way, the Governors of the five states we serve have directed our staff to explore means of expanding the availability of geothermal energy to the majority of users, especially in rural settings. We are in the earliest stages of our analysis, but we do have two projects underway. The first concentrates on the identification of specific prospects for agricultural applications of geothermal in the San Luis Valley in Colorado. The second is a scoping study to review all the federal, state and commercial work done to date, in an effort to define the range, scale, and direction of a potential FCRC commercialization program. We want to know if we can realistically help, and, if so, where and how.

The other element of the current scoping project is an effort to define the sources and amounts of federal funds which could be brought to bear on a consolidated program. We are, of course, also looking into agency investment criteria, e.g., matching funds, acceptable risk levels, etc., and their programmatic priorities.

If things look promising DOE through Rudy Black's office in Washington has committed \$10,000 to assist in a cooperative program definition and planning project. Our target is to have a program in place by FY '81.