

The World Bank is introducing its new Risk Sharing Mechanism offered for geothermal projects in Turkey through its cooperation with the Turkish Development Bank TKB and will hold a workshop on it during the upcoming IGC Turkey geothermal congress in Ankara/Turkey, 14-15 March 2018.

The World Bank in cooperation with the Development Bank of Turkey is providing a grant of \$39.8 million to be dispensed within the framework of the Geothermal Development Project. Within the context of this project, \$ 38 million will be used to share the risk of first stage drilling activities by investors. It is envisaged that the applications of the companies will be started in February 2018.

Of the \$39.8 million grant, 1.8 million USD will be used for Risk-Sharing Mechanism RPM Consulting regarding the establishment of the program within the Development Bank of Turkey and to provide other necessary technical consulting services. The remaining \$38 million will be made available for investors in geothermal projects to be used in the first phase of drilling operations helping to share the drilling risk.

The Risk Sharing Mechanism has been established and studies have been started for keeping the RPM advisor, and it is predicted that the companies will be able to start the program applications in February 2018.

At the IGC 2018 Turkey geothermal congress in Ankara, 14-15 March 2018, the World Bank will host a workshop with the Development Bank of Turkey. In the workshop the Geothermal Risk-Sharing Mechanism will be presented, informing investors and industry will be informed about the mechanism.

In the framework of the project:

The Risk Sharing Mechanism will be implemented for a period of 5 years. This period will be extended and shortened according to the end of the funding.

Public or private investors who have a valid search license for at least 18 months will be able to apply for RPM.

An agreement will be signed with each investor to benefit from RPM for a maximum of 5 wells. Two unsuccessful wells will finish the deal.

Investors are asked to indicate that the total investment amount per well is 10% in the first, second and third wells in the successfully classified investments; will pay the RPM 25% in the fourth and fifth heights as a "success premium". A guarantee letter will be issued at the beginning for the success premium.

The well drilled by the investors as part of the project; when the investment fails the recovery mechanism repays up 40% for projects in the Ayd?n, Denizli and Manisa region, 60% in other regions of Turkey but not to exceed a payment of \$4 million as part of the

RPM.

If the CO₂ emission rate in the wells for electricity generation exceeds 583g / kWh;

If the well fails, the deal ends.

If the well is successful, the program will be stopped and an additional time will be provided, and a plan to reduce CO₂ at the end of the training period is expected. Without a plan, the deal ends. Achievement premium is not paid

If the plan is valid, the well will be considered successful but the plan

If the investor pays financial burden, it can be waived from the success premium

If the investor does not bring additional cost, the success premium is collected.

The TKB will be able to collect 1% of the total expenditures from the geothermal investor as management fee.

The project will be subject to the World Bank Environmental Practices and Land Acquisition Rules.

The World Bank first announced the new facility at the IGC Turkey geothermal workshop in Izmir in 2017 and the Risk Sharing Mechanism is now coming slowly to life.

ThinkGeoEnergy and JeotermalHaberler.com, we would like to thank Ruken Öztekin, the manager responsible for the World Bank & TKB Risk Sharing Mechanism, for this valuable information.

Source: thinkgeoenergy