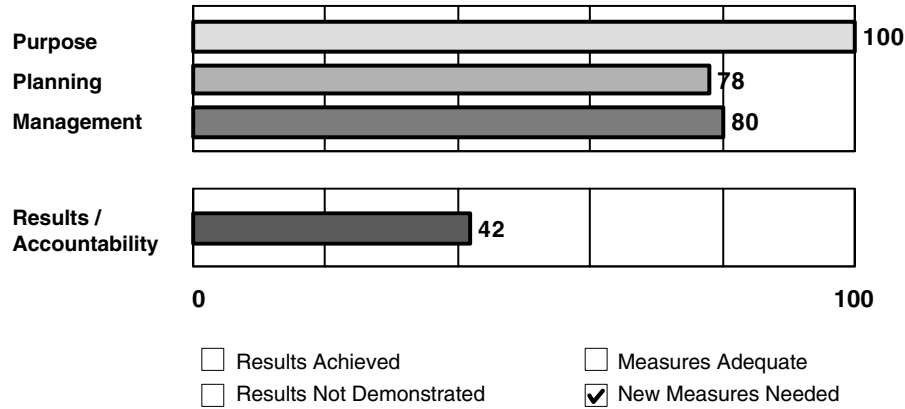


Program: Geothermal Technology

Agency: Department of Energy

Bureau: Energy Efficiency and Renewable Energy



Key Performance Measures

Year Target Actual

	Year	Target	Actual
Long-term Measure: Average cost of power from geothermal technologies (cents per kilowatt-hour)	2000	3	5 to 8
	2010	3 to 5	
Long-term Measure: Measures under development			
Annual Measure: Measures under development			

Rating: Adequate

Program Type: Research and Development

Program Summary:

The Geothermal Technologies program develops techniques for expanding the use of geothermal energy resources, which include heat, hot water, and steam near the earth's surface, as well as molten rock and magma farther down.

The program has a very clear purpose, but needs to develop and apply a consistent methodology for estimating the public benefits of its activities in order to establish priorities within the program and among other applied energy research and development (R&D) programs. Other findings include:

1. In 2000, the National Research Council (NRC) reported that the program has contributed to the development of advanced drilling technologies that have lowered costs and opened up a larger fraction of the U.S. geothermal resource base for competitive power production.
2. The NRC also indicated that much of the program's research was focused on near-term technologies, and suggested a change in focus to high-grade enhanced geothermal systems, which are engineered reservoirs created to extract heat from economically unproductive geothermal resources.
3. The program's "Industry Support" activity funds Congressionally earmarked projects that do not significantly contribute to the program's performance goals.
4. The program has difficulty developing meaningful annual performance measures, a challenge for many R&D programs.
5. The program is part of a division that completed a major reorganization in 2002, which should improve program planning and management.

In response to these findings and an assessment of the program's activities using the R&D Investment Criteria developed as part of the President's Management Agenda, the Budget proposes to:

1. Continue to redirect resources within the program to emphasize enhanced geothermal systems R&D;
2. Terminate the program's "Industry Support" activity; and
3. Develop adequate annual measures.

Program Funding Level (in millions of dollars)

<u>2002 Actual</u>	<u>2003 Estimate</u>	<u>2004 Estimate</u>
27	27	26