



## PRESS RELEASE

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### **EIB and EU Innovation Fund support Eavor's innovative geothermal technology in Bavaria**

- **The European Investment Bank backs the roll-out of an innovative power and geothermal heating project in Bavaria with close to €45 million, underpinned by the European InvestEU-programme**
- **The project, which also received a grant from the EU Innovation Fund, will provide low-carbon heating for the town of Geretsried and the region in Bavaria**
- **The technology has the potential to be spread to a wider range of locations than conventional geothermal energy**

The European Investment Bank (EIB) is providing a loan of close to €45 million for an innovative geothermal heating project Eavor-Loop™ in the German state of Bavaria. Canada-based Eavor will implement its closed loop geothermal technology for the first time at commercial scale in the Bavarian town of Geretsried. In contrast to conventional geothermal heating, the Eavor-Loop™ technology does not capture heat from subsurface water or steam reservoirs. Instead, the company drills deeply into the earth and harvests the heat directly from underground rocks.

The first commercial-scale Eavor-Loop™ is being built with the additional support of a [€91.6 million grant](#) from the [EU Innovation Fund](#). The EIB loan comes with a guarantee by the [European InvestEU-programme](#). The project is co-financed by Japan Bank for International Cooperation (JBIC), ING Bank N.V. (ING) and Mizuho Bank, Ltd. (Mizuho) and is insured by Japan's Export Credit Agency, Nippon Export and Investment Insurance (NEXI). It qualifies as a green loan in accordance with the Loan Market Association's Green Loan Principles. The combined support from the EIB, JBIC, ING and Mizuho amounts to €130 million. Green Giraffe Advisory acted as the sole financial advisor to the Borrower to structure the debt financing package.

The Eavor-Loop™ system resembles a giant underground radiator. Two vertical wells are drilled to a depth of 4 500 to 5 000 metres. Then 12 pairs of horizontal laterals, 3 000 to 3 500 metres long, are drilled from the bases of each of the two wells, for a total of about 90 kilometres of drilling (about 320 to 360 kilometres for four loops). The giant radiator is then filled with fluid.

The system operates naturally on a thermosiphon. The water in the bottom part of the system is heated by the underground rock and naturally rises to the surface where it can be used directly for district heating or to generate power.

The system emits fewer greenhouse gases than conventional geothermal systems because there is no need to reinject new fluids and it does not require the extensive use of pumps. To operate this system, a specific kind of subterranean rock is needed to use the thermal conductivity.

Before starting the commercial Eavor-Loop™ in Germany, Eavor built a pilot, the Eavor-Lite, in Alberta, Canada, in 2019. The pilot has been in operation for the past five years.

Eavor's total investment is expected to reach €350 million. The Eavor-Loop™ will provide heating to households and businesses. In addition, a power station on site will convert the geothermal heat to electricity. Eavor has already signed an offtake contract with the local heat-provider and intends to start heat delivery in 2026, increasing the supply stepwise. Eavor-Loop™ has started developing a second project in Germany to supply 15-20% of the demand for district heating in Hanover in the German state of Lower Saxony.

**Nicola Beer**, EIB Vice-President with oversight of financing in Germany, said, "In addition to wind- and solar-energy, geothermal heat provides a natural, steady and reliable source of clean renewable energy. The Eavor-Loop™ therefore supports the transition to a carbon-neutral energy system in Germany and helps the country to get independent from fossil fuels, while adding to energy security for the people and businesses."

Commissioner for Climate Action, **Wopke Hoekstra**, said, "Once again, we see how valuable the work of the Innovation Fund is through the funding it provides for cutting edge projects that lower emissions. Today, thanks to €45 million investment by the European Investment Bank and €91.6 million from the Innovation Fund, we are supporting the innovative geothermal technology Eavor-Loop™ in Bavaria, Germany. This project will provide low-carbon heating to thousands of households and businesses. It is an example of the role the geothermal industry will play on the road to net-zero. Switching from fossil fuels to geothermal energy can help decarbonise the EU population's energy needs and reduce our energy bills."

**Daniel Mölk**, Executive Vice President Europe Operations, emphasised, "We are impressed and honoured that, after the EU Innovation Fund, the European Investment Bank is now also co-financing our project in Geretsried. Europe has recognised that the Eavor-Loop™ is a scalable key technology for achieving climate neutrality and significantly more energy security on this continent."

## Background information

### EIB

The [European Investment Bank \(EIB\)](#) is the long-term lending institution of the European Union, owned by its Member States. It finances sound investments that contribute to EU [policy objectives](#). EIB projects bolster competitiveness, drive innovation, promote sustainable development, enhance social and territorial cohesion, and support a just and swift transition to climate neutrality. The EIB Group, which also includes the [European Investment Fund \(EIF\)](#), signed a total [of €88 billion in new financing for over 900 projects in 2023](#). These commitments are expected to mobilise around €320 billion in investment, supporting 400,000 companies and 5.4 million jobs.

All projects financed by the EIB Group are in line with the Paris Climate Accord. The EIB Group does not fund investments in fossil-fuels. The EU-bank is on track to deliver on its commitment to support €1 trillion in climate and environmental sustainability investment in the decade to 2030 as pledged in its [Climate Bank Roadmap](#). Over half of the EIB Group's annual financing supports projects directly contributing to climate change mitigation, adaptation, and a healthier environment. Approximately half of the EIB's financing within the EU is directed towards cohesion regions, where per capita income is lower. This underscores the Bank's commitment to fostering inclusive growth and the convergence of living standards.

## InvestEU

The [InvestEU programme](#) provides the European Union with crucial long-term financing by mobilising significant public and private funds to support a sustainable recovery. It helps generate additional investments in line with key European priorities, such as the European Green Deal, the digital transition and support for SMEs. The InvestEU programme brings together a multitude of EU financial tools to support investment by making project financing simpler, more efficient and more flexible. The programme has three components: the InvestEU Fund, the InvestEU Advisory Hub and the InvestEU Portal. The InvestEU Fund is implemented via various financial partners. They will invest in projects by using the EU budget guarantee of €26.2 billion to mobilise at least €372 billion in additional investments.

## Eavor

Eavor (pronounced “Ever”) is a technology-based energy company led by a team dedicated to creating a clean, reliable, and affordable energy future on a global scale. Eavor’s solution (Eavor-Loop™) represents the world’s first truly scalable form of clean, dispatchable, baseload capable, and flexible heat and power. Eavor achieves this by mitigating or eliminating many of the issues that have traditionally hindered geothermal energy. Eavor instead circulates a benign working fluid that is completely isolated from the environment in a closed-loop, through a massive subsurface radiator. This radiator simply collects heat from the natural geothermal gradient of the Earth via conduction. Eavor has been supported by equity investments made by several leading global energy producers, investors, developers, and venture capital funds including Vickers Venture Partners, bp Ventures, Chubu Electric Power, BDC Capital, Temasek, BHP Ventures, OMV, the Canada Growth Fund, Kajima Corporation, and the Microsoft Climate Innovation Fund.

## Press contacts

### EIB

**Donata Riedel**, [d.riedel@eib.org](mailto:d.riedel@eib.org), tel.: +49 30 590 04 79-0, mobile: +49 151 14659021,

Website: [www.eib.org/press](http://www.eib.org/press) — Press Office: +352 4379 1 — [press@eib.org](mailto:press@eib.org)



### European Commission

**Flora Matthaes**, [flora.matthaes@ec.europa.eu](mailto:flora.matthaes@ec.europa.eu), +32 2 298 39 51

### Eavor

**Alexander Land** | [presse@eavor.de](mailto:presse@eavor.de), T +49 211 16975925

[www.eavor.de](http://www.eavor.de) and [www.eavor-geretsried.de](http://www.eavor-geretsried.de)