

“Our Climate Future 2025 — Geothermal Energy as a Driver for European Competitiveness, Decarbonization and Energy Security”

Ladies and gentlemen,

It is a great pleasure to be with you at *Our Climate Future 2025*. I would like to thank Green by Iceland, Business Iceland, our Mission in Brussels, and all of you here today for bringing us together to focus on how geothermal energy can drive competitiveness, decarbonization, and energy security across our nations.

Last year, a volcanic eruption near the town of Grindavík temporarily knocked out a key geothermal power plant in Southwest Iceland, cutting off district heating for two days for 30 thousand people in the middle of winter, in minus 15°C. It was an unsettling moment. As a nation, we felt how vulnerable we become when the heat for our homes is suddenly taken away.

Since then, we have taken determined steps to strengthen our system. Protective barriers have been fortified around the Svartsengi plant, and new geothermal heat has been sourced from a safer area. What began as a disruption has become a story of resilience. But the risk is still with us as this region has seen repeated eruptions in the space of a few years.

While our crisis of heat-loss lasted only days and electricity was never lost, in Ukraine their energy system has been under sustained attack for more than two years. Just a few days ago, my Nordic colleagues and I listened to the Ukrainian Energy Minister describe their situation — a national energy system under relentless assault. It was a sobering reminder of what is at stake.

Their resilience is extraordinary, and the lesson for Europe is clear: whether we face natural forces or geopolitical threats, energy security must be strengthened through sources that are steady, local, and resilient — sources that shield communities from volatility and reinforce national stability.

In Iceland, no one questions the value of geothermal energy.

According to the National Energy Authority, geothermal use saves about 2.5% of Iceland’s annual GDP. While projects involve high upfront costs and early risks, the long-term returns are excellent, particularly for heating. Beyond economics, geothermal provides energy security and environmental benefits that are equally significant.

A key part of Iceland’s story is our willingness to explore the edges of what is possible. Deep drilling initiatives such as the Iceland Deep Drilling Project and the Krafla Magma Testbed project are pioneering the exploration of superhot zones beneath the surface, where temperatures can exceed 400 °C. Unlocking this resource could yield energy outputs many times greater than conventional wells, transforming the economics of baseload renewable power. These projects could place Iceland and

Europe at the forefront of a new frontier in geothermal science and engineering, one that could radically expand renewable energy worldwide.

As the economist Mariana Mazzucato has reminded us, great challenges — from landing on the moon to reaching net zero — are not solved by markets alone. They are achieved through public missions that set a bold direction and mobilize innovation across society. Missions give clarity of purpose; they align ambition with action and turn uncertainty into opportunity.

Geothermal energy is perfectly suited to this kind of mission-driven approach. It is not just a source of heat or electricity. It is a strategic capability — a way to secure resilience, build competitive industry, and cut emissions all at once. To unlock its potential, governments and industry must treat geothermal not as a niche, but as a continental mission: a shared European project.

And here, dear guests, we face a challenge. We find ourselves trying to build the future with rules designed for the past — rules that too often act as a brake, when what we truly need is acceleration.

If we want energy security, and if we want abundance in clean energy, we must build — and build fast. Regulation must become an enabler of speed and scale. That means streamlining permitting and creating clear, predictable pathways for geothermal projects. Otherwise, potential will remain locked underground.

I spoke earlier about deep-drilling and the exploration of superhot zones, but on the lower end of the geothermal temperature scale we also have encouraging scientific developments.

Recently ÍSOR - Iceland Geosurvey published a new countrywide assessment of the geothermal resource in Iceland, showing that there are no truly “cold” areas in Iceland despite our name. Based on a vast and comprehensive data compiled during the last 40 years of utilization, the results indicate that geothermal use in Iceland can continue to grow in the future, in part by harnessing unconventional resources. This assessment will form the basis for future development, driven by innovation and technological advances.

With modern survey techniques and targeted support, areas once considered marginal are being reassessed, a breakthrough that expands the frontier of geothermal development.

That is why Iceland is doubling down.

In March this year, our government launched a new initiative to support geothermal exploration and utilization in remote regions, funding 18 projects to unlock new heat sources and strengthen regional energy security.

We call this initiative “Geothermal levels the playing field” because that is exactly what geothermal heating has done in Iceland. It has lowered bills, strengthened local communities, and provided reliable energy security. Geothermal has been an engine of equality across regions — ensuring that people in

smaller towns enjoy the same affordable comfort as those in the capital. It also serves as an engine of growth and value-creation nationwide, powering industries, innovation, and resilience.

That is why we are drafting a dedicated geothermal strategy for Iceland to guide long-term development. That is why we are simplifying permitting procedures, cutting red-tape, and modernizing outdated regulations — making it easier to drill, and quicker to move from planning to production. Even where geothermal is already central, we are pushing forward: deepening, diversifying, and future-proofing our system.

Dear guests,

The same opportunities that have transformed Iceland are waiting to be unlocked across Europe. Geothermal can provide clean, affordable, and secure heating for millions of Europeans, but to realize this potential, there must be a coherent heating and cooling strategy. That is exactly what the European Commission is now preparing, and it will be a crucial step in giving geothermal the role it deserves in Europe's energy future.

Electricity rightly occupies a central place in energy planning, but heating and cooling represent around half of Europe's energy use. Geothermal can provide heating through both high- and low-temperature systems. Iceland warmly welcomes the forthcoming Heating and Cooling Strategy, notably the inclusion of a dedicated European Geothermal Action Plan aimed at accelerating the deployment of geothermal energy for heating, cooling, and electricity generation. And Iceland commends the Commission for launching a public consultation and we submitted our contribution via the EU's 'Have your say' portal last week.

I am certain that a clear strategy will give investors and communities the confidence to act. Iceland is a willing partner and stands ready to share its experience in integrating geothermal energy into heating systems, regulation, and community planning.

Good, well-designed regulations are indispensable. They create the enabling environment where innovation flourishes and investment turns into real progress.

Ladies and gentlemen,

Beneath our feet lies an immense, steady, and renewable energy source, one that can heat our homes, power our industries, and strengthen our security. Geothermal energy has always been there. The question is whether we are ready to fully harness it.

Iceland's long experience shows that our energy system constantly offers new opportunities, from the most extreme supercritical temperatures to the lowest temperatures in previously overlooked areas. And apart from all traditional heat and electricity use, we have the added benefits of cascading use for various industry with jobs and opportunities for the local communities. We see how vision, innovation, and pragmatic policy continue to drive progress.

But the real expertise lies in this room. Today's agenda is filled with experts, innovators, and policymakers who know this field inside and out, expertise they will share with us. I hope you enjoy the discussions ahead, and I look forward to working with you on our common energy and climate future.

Climate action should not be seen as sacrifice, but as a great building project: a generational effort to construct a Europe powered by clean, homegrown energy. That must be our shared mission.

Thank you.