

**Crude oil prices give geothermal a break**

Sergio Chapa

503 words

5 February 2016

San Antonio Business Journal

SABJ

English

© 2016 American City Business Journals, Inc. All rights reserved.

Record low crude oil prices could become a major opportunity for the geothermal power industry.

Over the past few decades, researchers have looked at various uses of geothermal energy, but drilling costs made it cost prohibitive for commercial use.

But with oil prices around \$30 per barrel, state-of-the-art rigs have been idled and drilling prices have fallen dramatically. That's where scientist-turned-businessman Bruce Cutright sees an opportunity.

"It's time to make this commercial," Cutright said.

Cutright spent several years working as a researcher for the University of Texas Austin's Bureau of Economic Geology and founded Thermal Energy Partners in 2010.

The Austin-based company is now looking to take advantage of lower drilling costs to build a string of geothermal power plants across Texas and the globe.

Cutright estimates that geological formations in the Texas Gulf Coast and South Texas region can generate up to 2,500 megawatts of carbon-free and emissions-free power. "Texas is a gold mine of geothermal, but unfortunately, because of cheap natural gas, we as Texans haven't used geothermal energy," Cutright said.

Taking advantage of low crude oil prices and idled rigs, Thermal Energy Partners teamed with Corpus Christi-based Orion Drilling for its future projects.

Orion Drilling Marketing Executive Brett Schellenberg said the company has a fleet of 17 drilling rigs but that only about half of them are in use.

Schellenberg said the company's rigs can easily be adapted for use in geothermal projects.

"In a time like this when oil prices are so depressed, the name of the game for us is diversification," Schellenberg said.

A 10-megawatt geothermal power plant used to cost \$50 million, but Thermal Energy Partners reports that lower drilling costs have reduced that to \$30 million in the United States.

Some customers are already taking advantage of the break in prices. Thermal Energy Partners recently secured a power purchase agreement from officials on the Caribbean island of Nevis.

Under the 25-year deal, the company is building a 9-megawatt geothermal power plant that is expandable and could potentially export 40 to 50 megawatts of additional power to neighboring islands.

Working out of San Antonio, Thermal Energy Partners Chief Development Officer James Jackson is scouting cities, military bases, large businesses and factories that are ideal candidates for geothermal power.

Jackson is meeting with McAllen city officials on Feb. 9 to discuss a 10-megawatt power plant that will use 2 acres of land to both generate electricity and provide desalinated water.

Geothermal power is finding support from politicians. Port of Corpus Christi Commissioner Barbara Canales told the Business Journal that unlike solar and wind, geothermal power plants run 24 hours a day and would continue to provide power even during a hurricane.

Did you find this article useful? Why not [subscribe](#) to San Antonio Business Journal for more articles and leads? Visit [bizjournals.com/subscribe](http://bizjournals.com/subscribe) or call 1-866-853-3661.

Document SABJ000020160205ec2500009