

Laos geothermal – details revealed

Civi Yap

29/07/2022

IJGlobal reveals details about a Laos geothermal power plant project with a potential capacity of 2GW, led by Florida-based geothermal developer GEIOS.

GEIOS is undergoing economic and strategic feasibility studies to identify suitable locations for the power plants, Shad Serroune, founder and chief executive of GEIOS, told *IJGlobal*. The company has contributed up to \$6 million for pre-development activities, which raised initial capital from financiers, including JP Morgan and Goldman Sachs.

GEIOS has tapped The Lao Development and Investment (LDIC) as its local partner to develop up to 2GW of geothermal in 2 phases – phase 1 in the north and phase 2 in the south of Laos.

The estimated project cost is up to \$3 billion for 2GW. GEIOS targets to arrange more than 80% debt financing. Depending on the price negotiated in the PPA, the company may turn to financing structures that include equity bridge facilities or structured debt, *IJGlobal* was told.

GEIOS, LDIC, and the Ministry of Energy and Mines in mid-July 2022 signed [minutes of cooperation](#) for the exploration and feasibility study of geothermal energy, following the signing of a non-binding agreement a month ago (June 2022).

The minutes-of-cooperation agreement entails up to 4GW capacity as part of a cross-border deal between Vietnam and Laos. The geothermal project, which is part of the deal, has a design capacity of up to 2GW and a potential 1GW in the central region. The remaining will come from other renewable sources.

The consortium has selected UK-based CeraPhi Energy for the drilling activity due to begin in November (2022). Meanwhile, LDIC is responsible for negotiations with the local entities, including PPP concessions, permits, and land uses.

The project will use GEIOS' advanced geothermal system, a hybrid thermal solar closed-loop system. The technology targets deep-hot-dry rock and hot sediment aquifers. The technology does not need to inject water inside the rock to reuse the steam.

The consortium targets to sign the PPA within 1-2 months, begin the procurement of debt financing and reach financial close by February 2023.

Miami-headquartered GEIOS has tasked an unannounced adviser to negotiate the PPA with Laos state-owned utility Electricite du Laos. Meanwhile, Wealth Power Group of Vietnam (WPG) has signed an agreement with the consortium to offtake 500MW of geothermal electricity.

WPG is the Vietnamese investor partnering with US-based Pacific Rim for the [\\$6 billion Chan May LNG](#) in the north-central coast of Vietnam, *IJGlobal* has learned. US International Development Finance Corporation (DFC) is financing the project.

WPG is looking for alternatives to supply electricity for the area due to the project's stalled progress, including volatile

LNG prices and other gas issues revolving around Russia's invasion of Ukraine, *IJGlobal* understands.

Thank you for printing this article from IJGlobal.

As the leading online publication serving the infrastructure investment market, IJGlobal is read daily by decision-makers within investment banks, international law firms, advisory firms, institutional investors and governments.

If you have been given this article by a subscriber, you can contact us through www.ijglobal.com/sign-in, or call our London office on +44 (0)20 7779 8870 to discuss our subscription options.