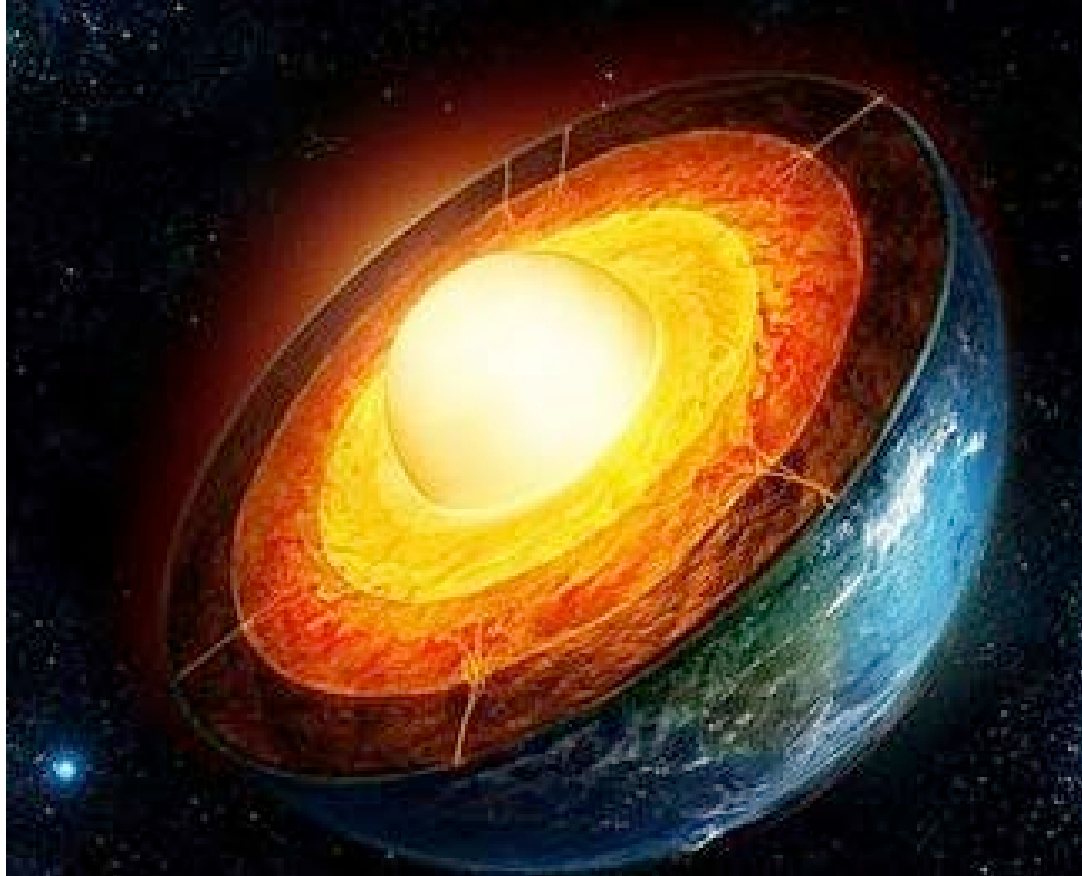


Geothermal Efforts in Groningen

Rien Herber
Alex Daniilidis

ESRIG Symposium, 27 march 2018

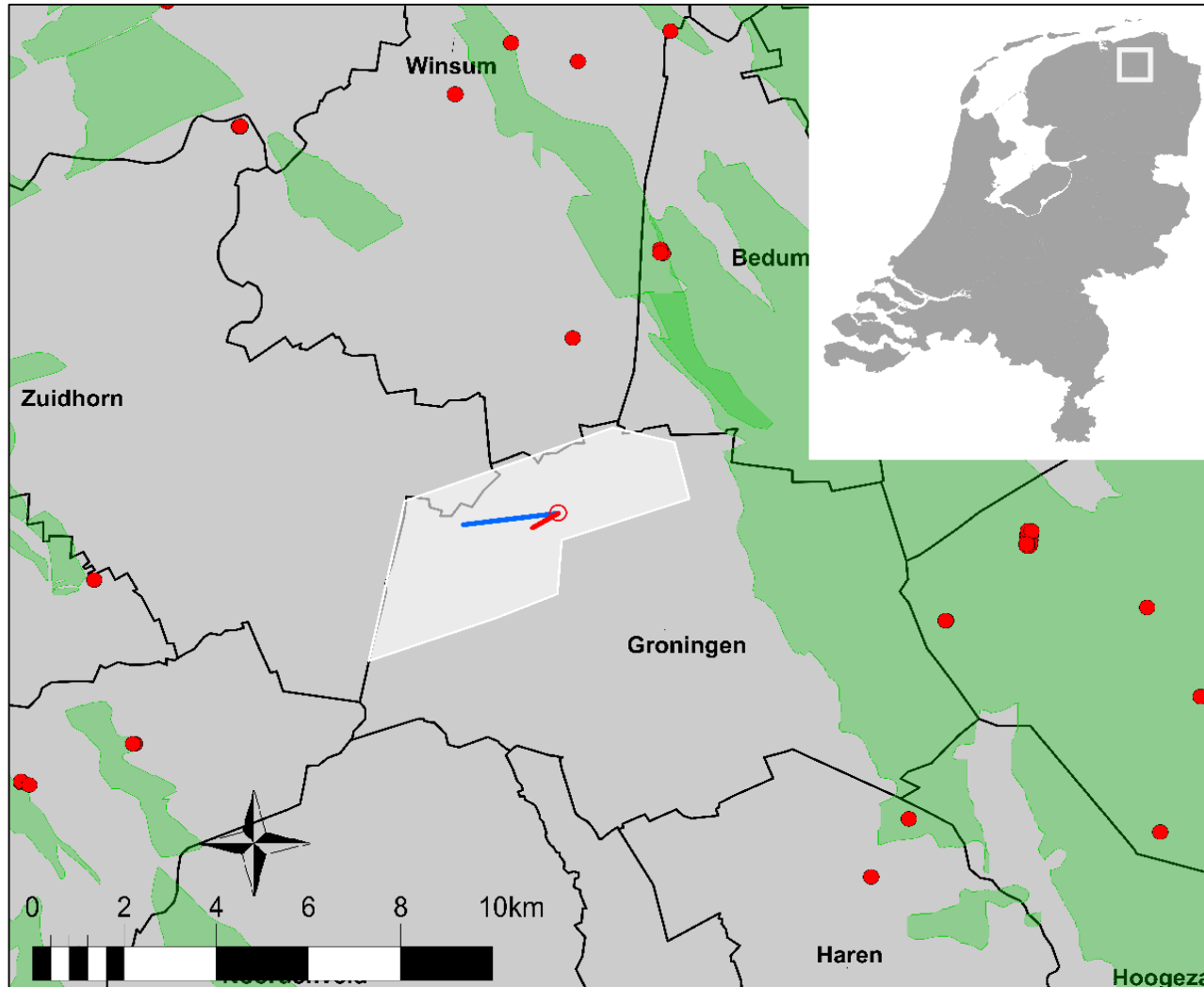


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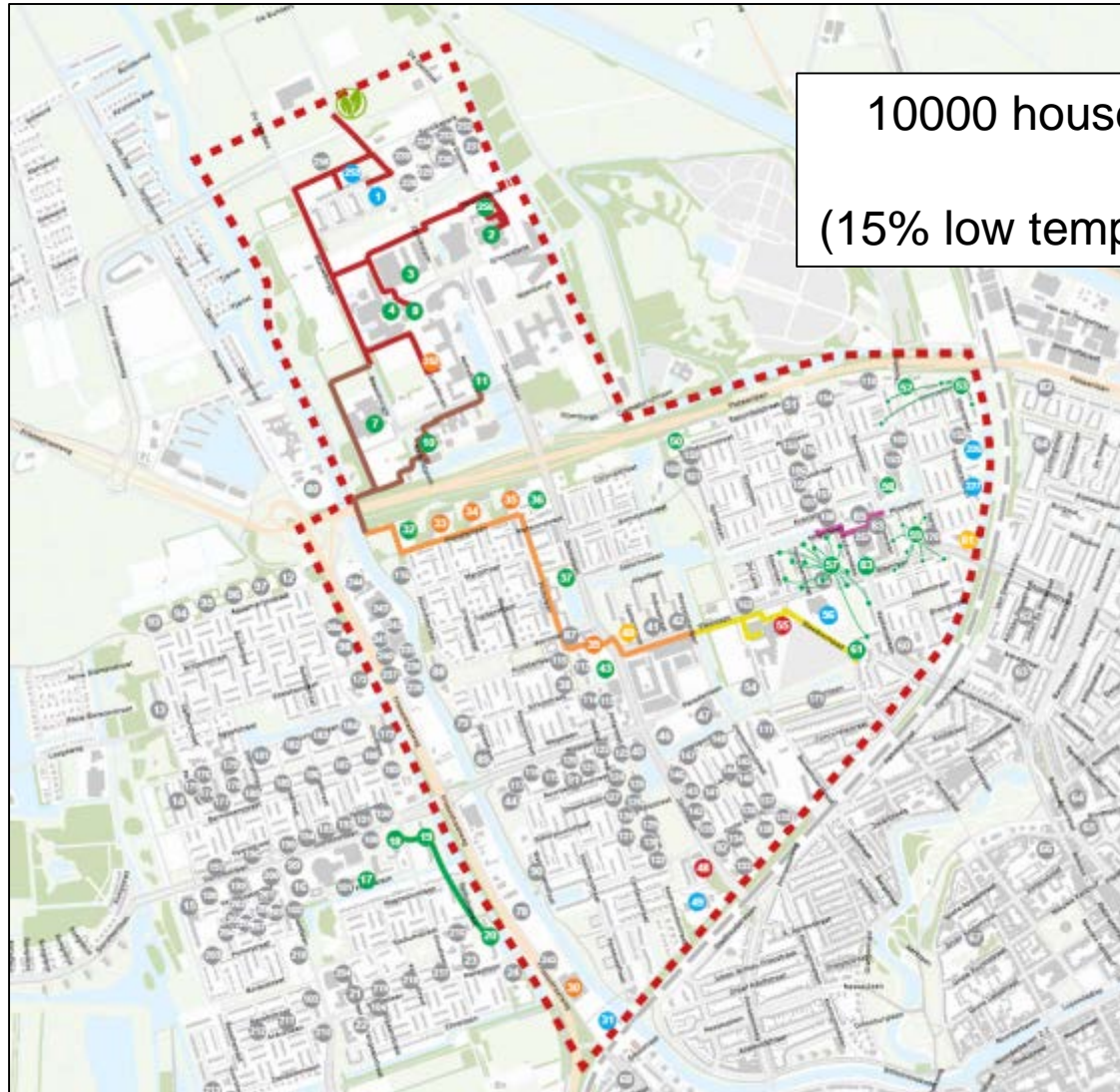
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Location of Groningen Geothermal Concession



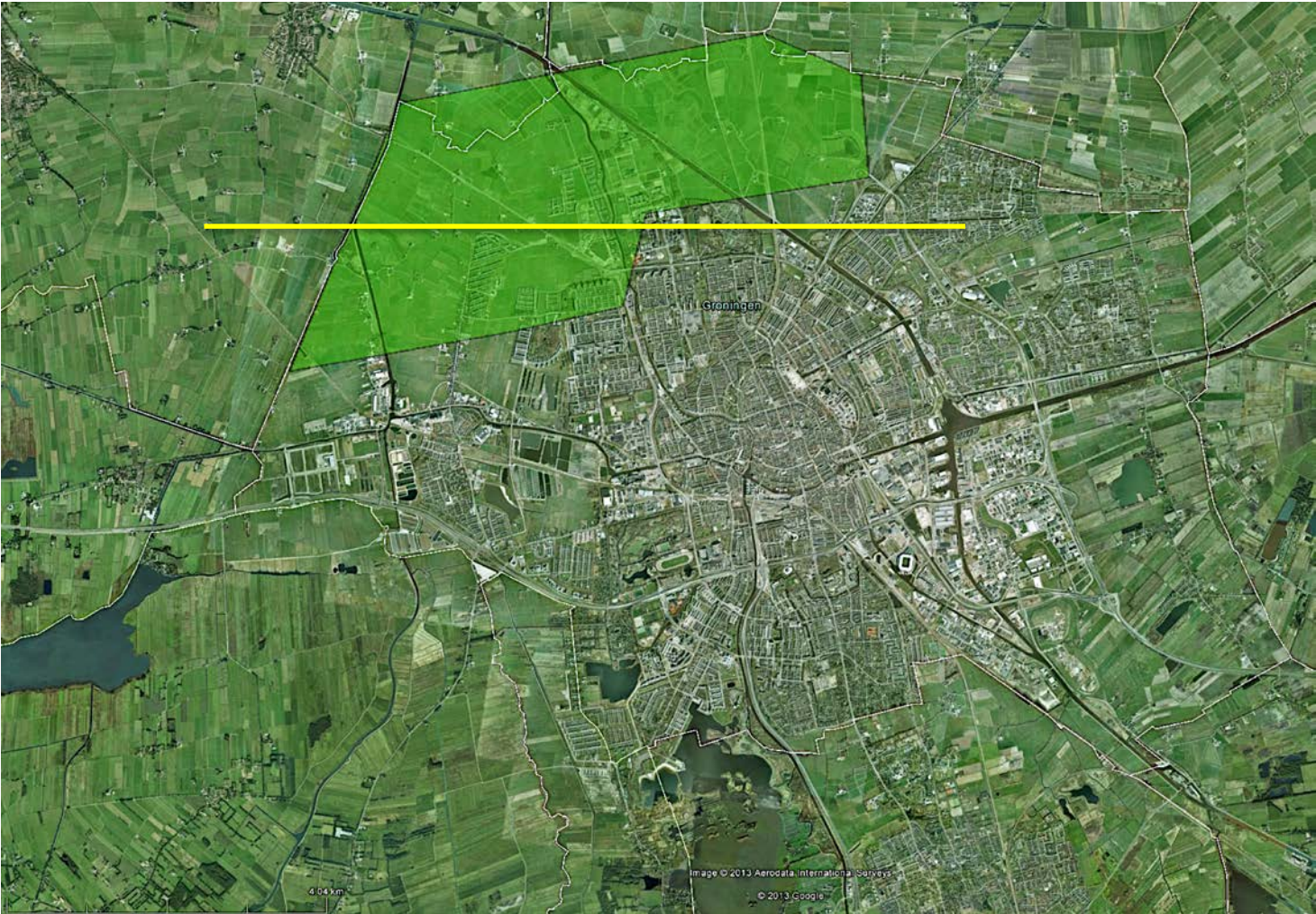
Geothermal Project Warmtestad



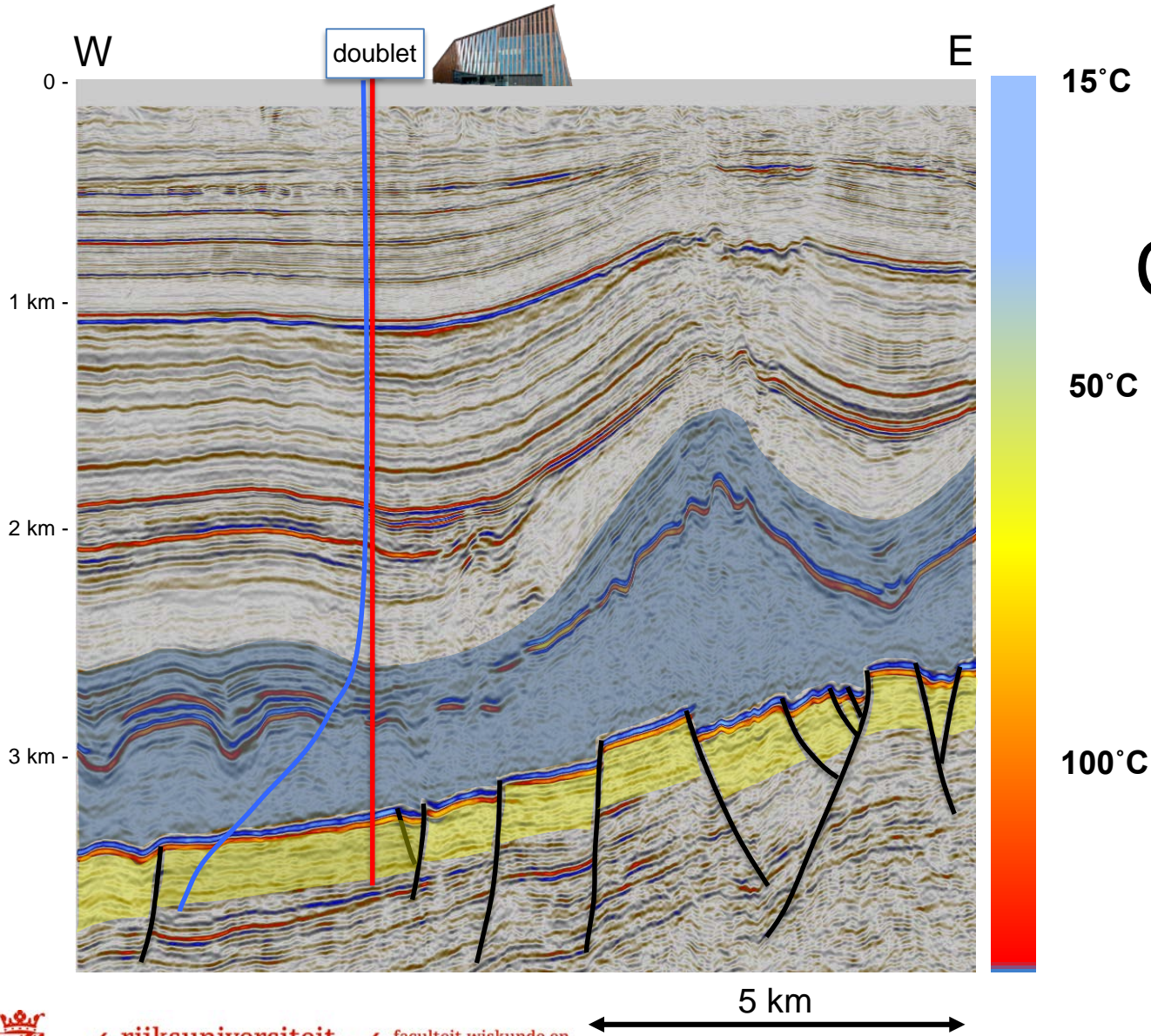
10000 households
(15% low temperature)



Groningen Geothermal Exploration Licence



Energy Academy
(projected from south, not to scale)



Seismic Cross Section Zernike Campus



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The Reservoir



Source: SPB Atlas, 2011



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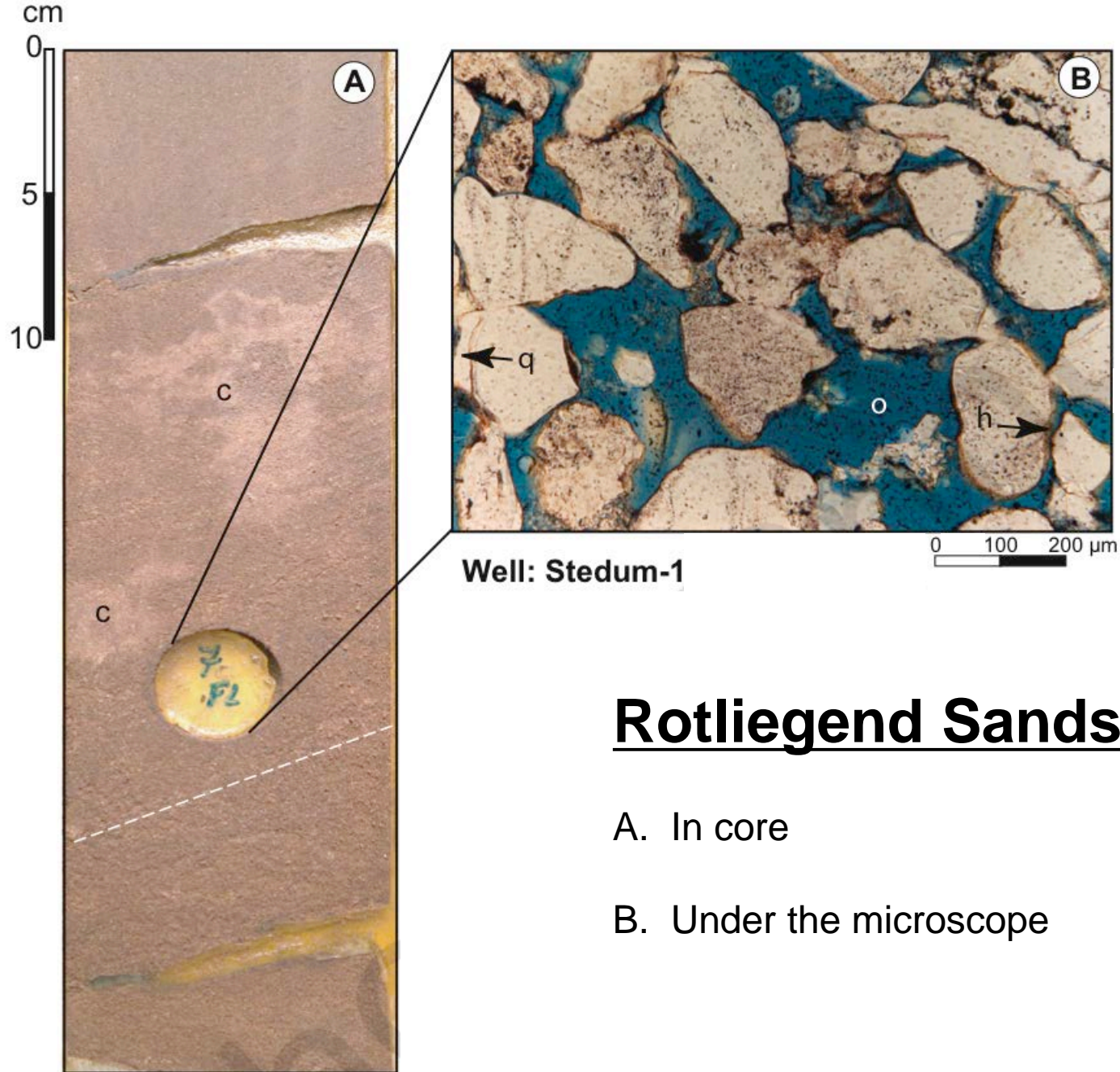


Desert Deposits



Well sorted
and
rounded sand grains





Rotliegend Sandstone

A. In core

B. Under the microscope

Groningen Geothermal Project

Geological model in Petrel



Daniilidis, 2015



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Critical Model Parameters

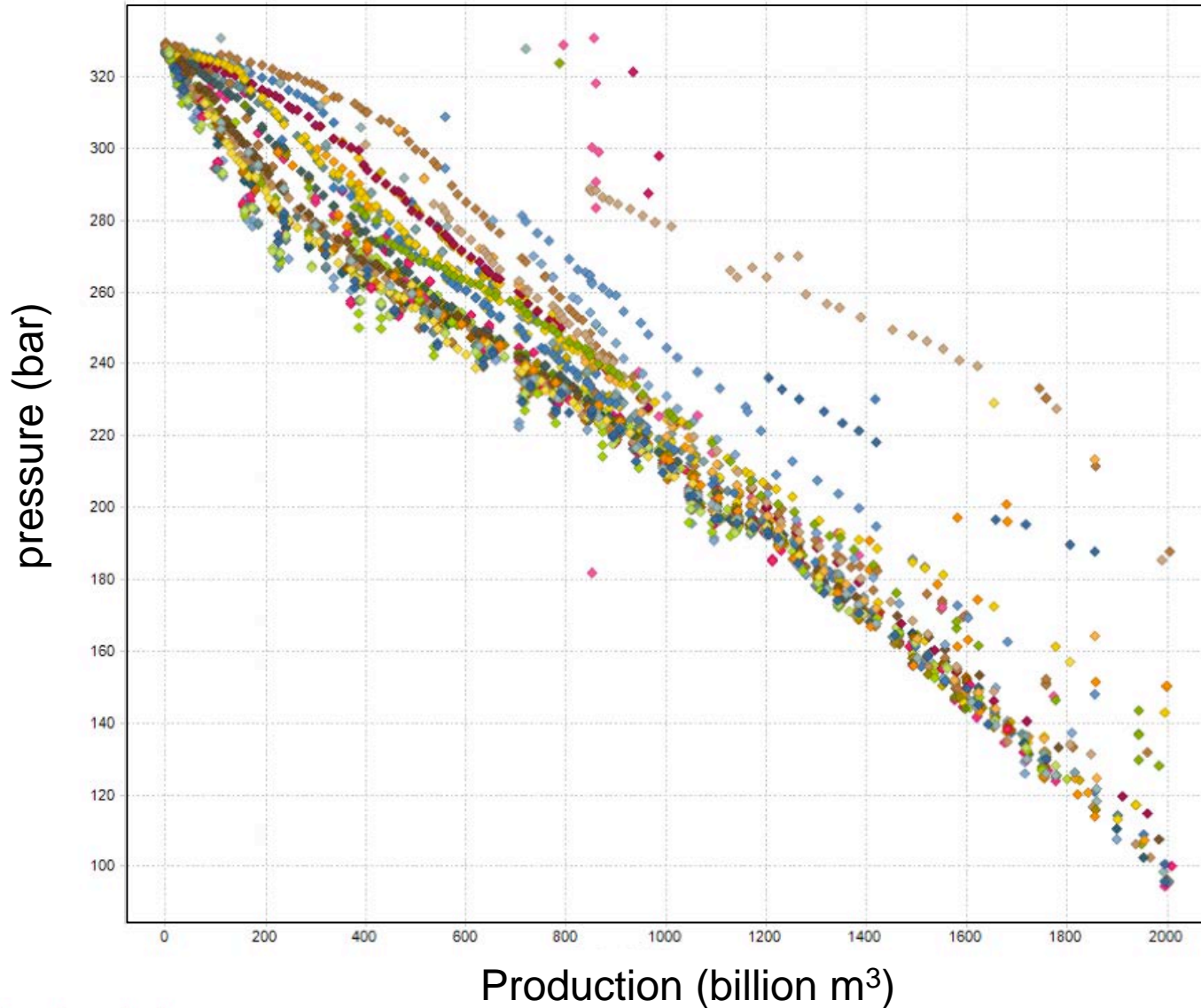
Initial reservoir conditions

Pressure levels

Gas saturation



Groningen Gas Reservoir – Pressure Behaviour



Critical Model Parameters

Initial reservoir conditions

Pressure levels

Gas saturation

Geological parameters

Layer permeability, porosity,

Net-to-Gross

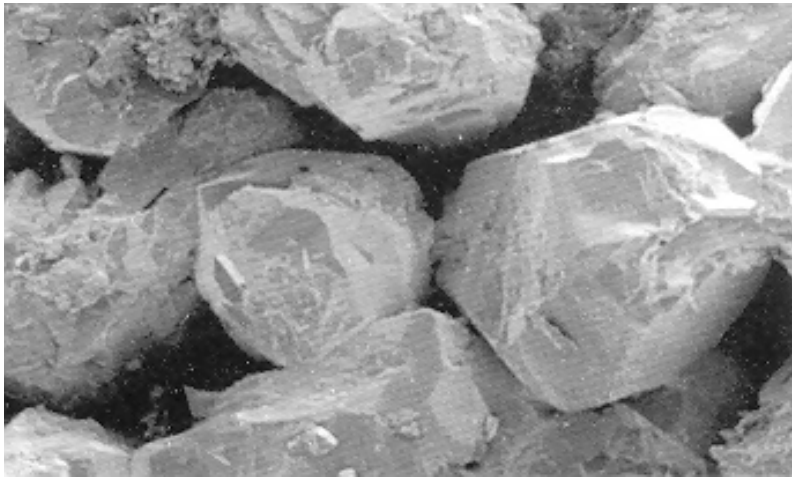
Fault permeability



Reservoir Quality

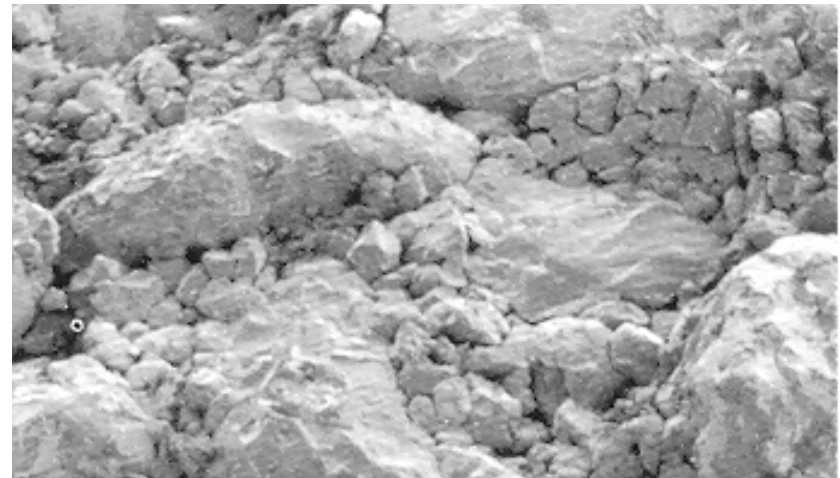
Determined by: Porosity \emptyset (%) & Permeability k (mD)

GOOD



Porous and permeable rock

BAD



Pores filled with minerals

50 μ m



Critical Model Parameters

Initial reservoir conditions

Pressure levels

Gas saturation

Geological parameters

Layer permeability, porosity,

Net-to-Gross

Fault permeability

Operational parameters

Flow rate

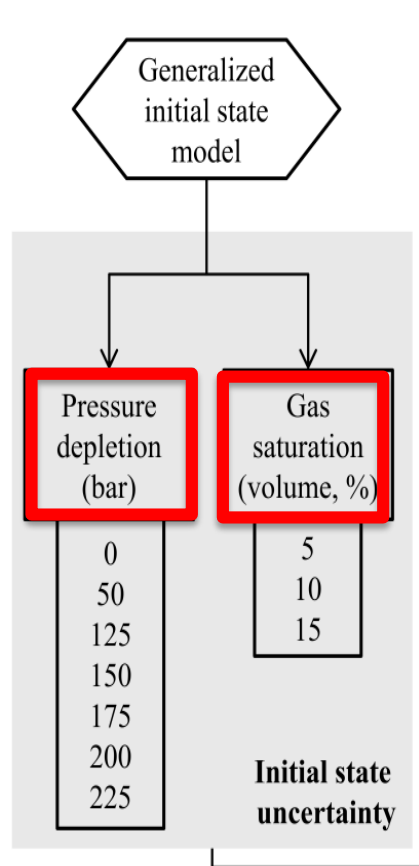
Injection temperature

Defined by location

Defined by operator



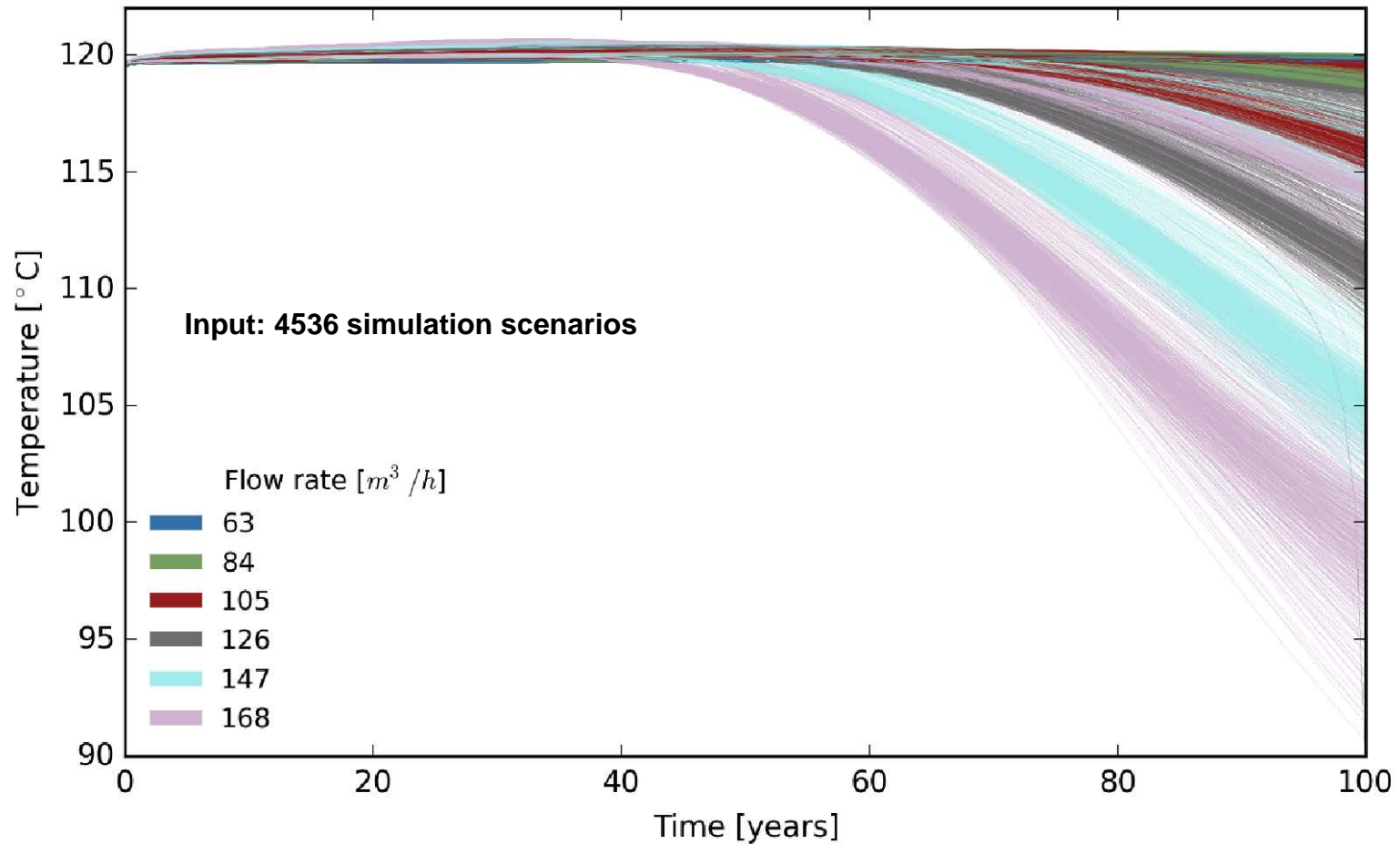
Workflow: Dealing with Uncertainties



21 scenarios x 216 scenarios = 4536 simulations



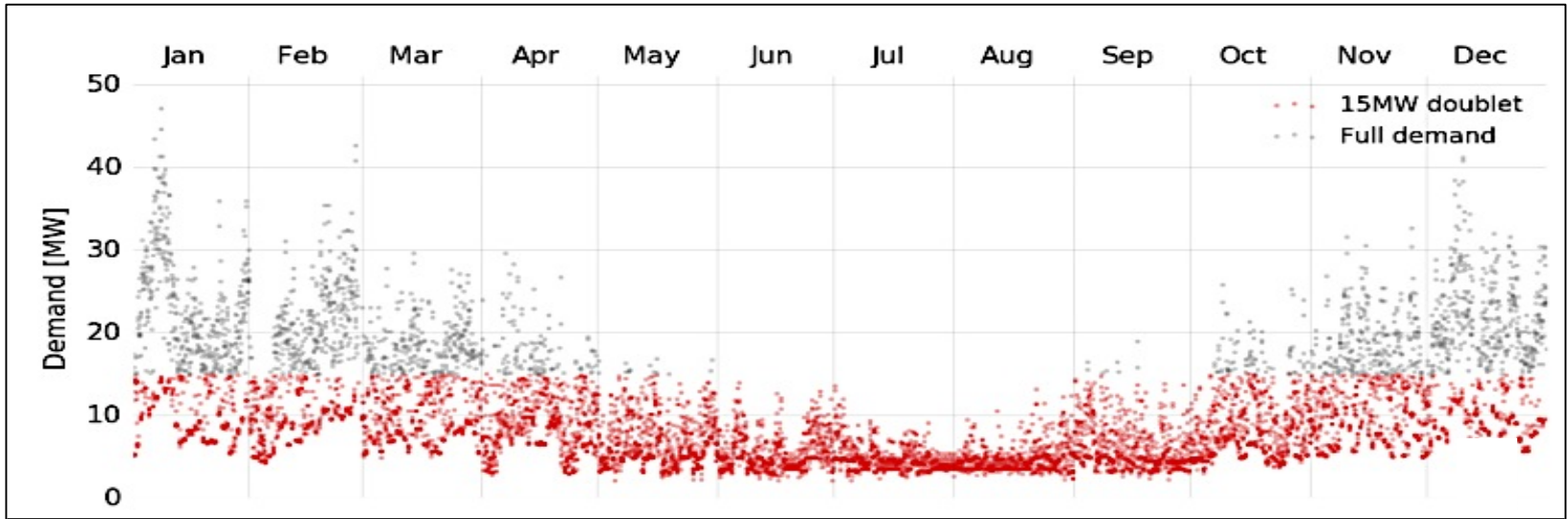
Groningen Doublet – Temperature/Time Distributions



Source: Daniilidis, 2016



Seasonal Heat Demand and Load Factor



Input Data: Equipment/Installations

Probability Distributions

Heat Network Length
Heat Network Unit Cost

Producer well contingency
Injector well contingency
POS injection well
POS production well
Drilling location cost
Duration of dev't phase

Fixed Values

ESP cost
Heat Exchanger cost
Gas Separation unit cost

Production well cost
Injection well cost
Drilling insurance cost
Well Abandonment cost



Input Data: Production Parameters

Probability Distributions

Injection temperature
Reservoir Permeability
Gas Saturation
Pressure Depletion
Gas Production

Doublet Temperature Loss
Desired Capacity
Transmission Efficiency
Pump Efficiency
Pump failure Rate

Fixed Value

Production Temperature



Input Data: Economic Parameters

Probability Distributions

Mean Gas Heat Price
Mean Natural Gas Producer Price
Mean Electricity Price

Fixed Values

Inflation Rate
Interest Rate
Discount Rate
Depreciation Rate

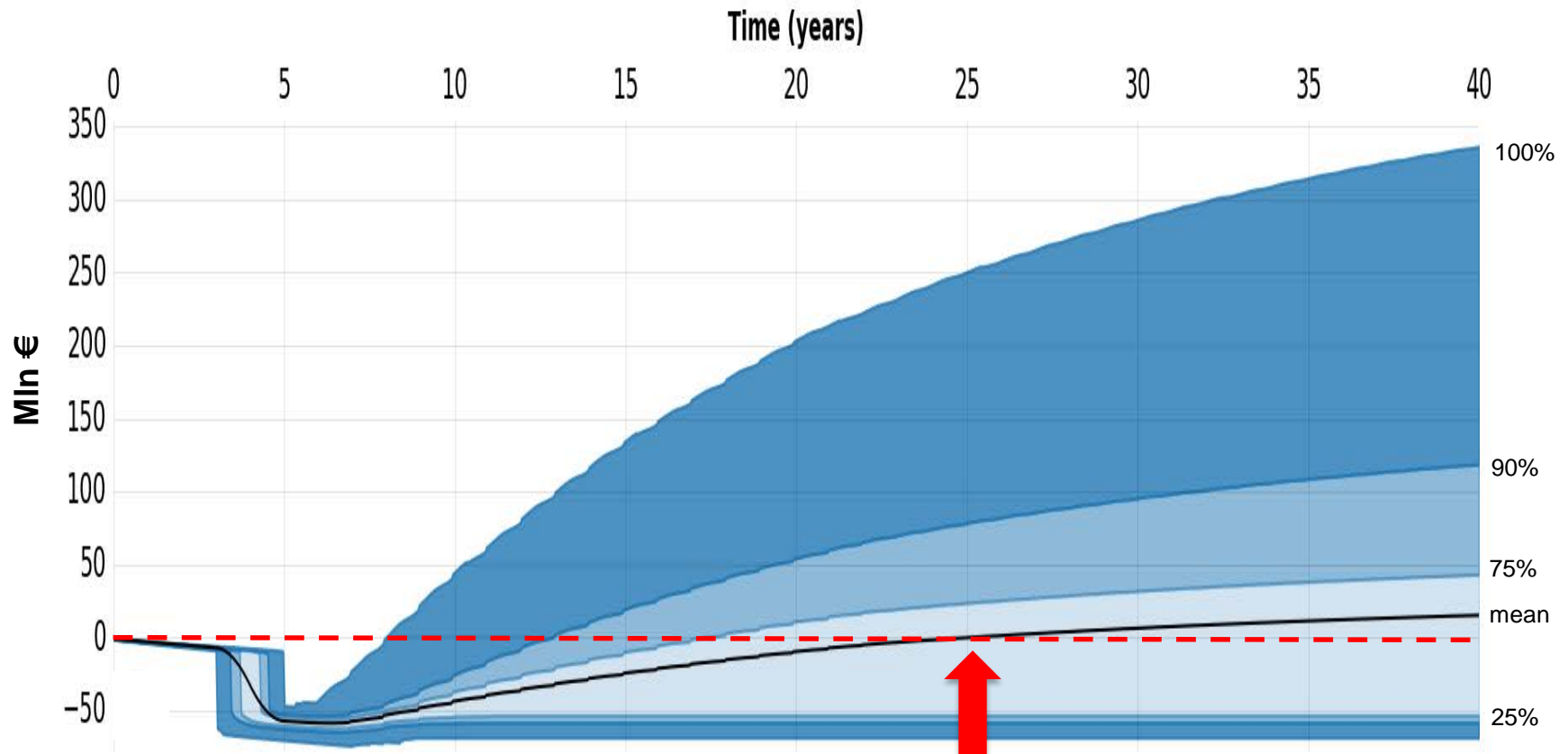
Ratio Geothermal to Gas Price
Amount of Subsidy
Annual OpEx

Consumer Connection Fee
Consumer Annual Usage Fee



Cumulative Discounted Cashflow

(20.000 Monte Carlo Simulations)



Payback Time 23-27 Years



Expected Monetary Value

$$EMV = POS \times NPV_{\text{success}} - (1 - POS) \times \text{Cost of Failure}$$

$$POS_{\text{inj.well}} = 70\%$$

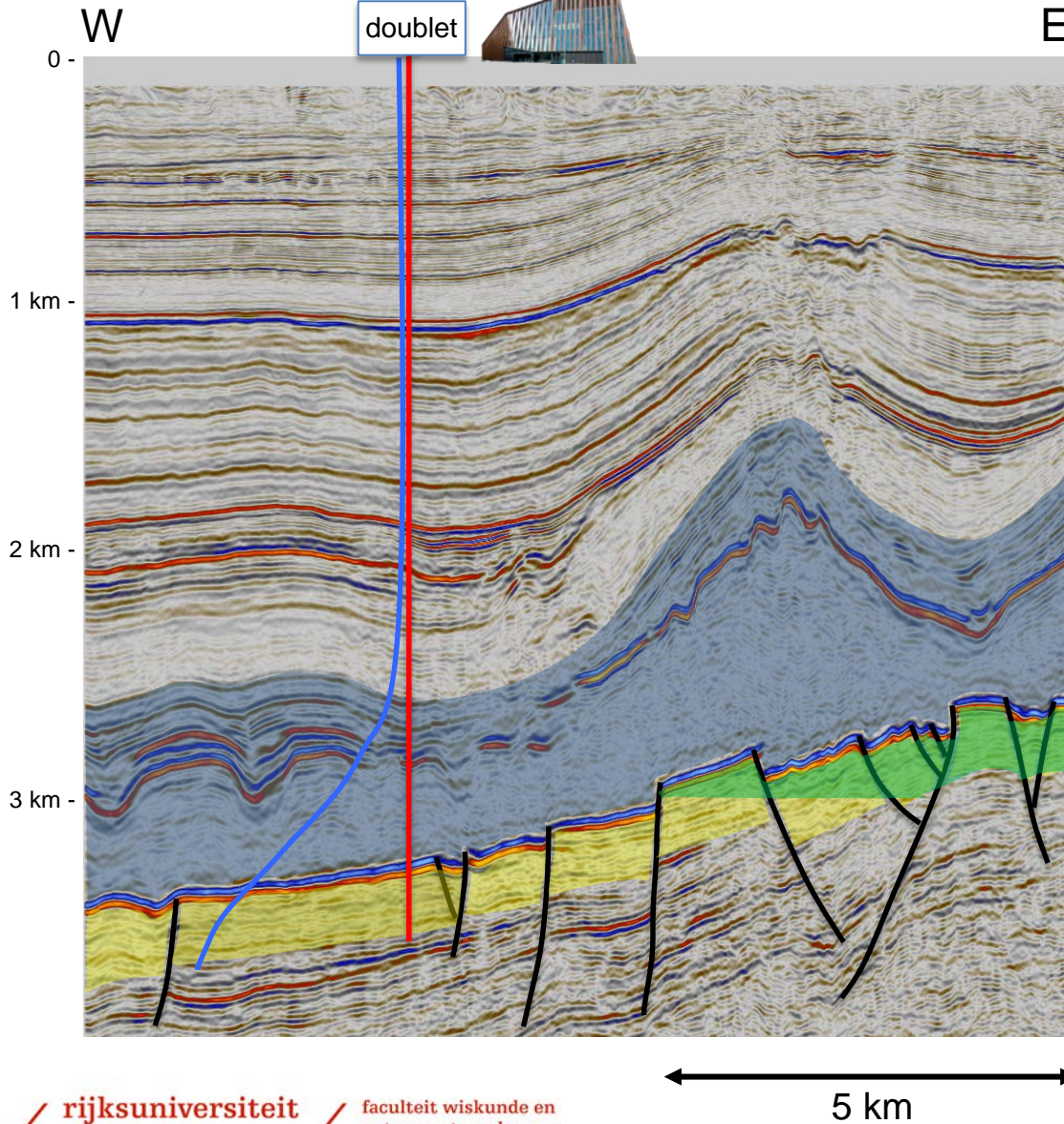
$$POS_{\text{prod.well}} = 90\%$$

$$POS_{\text{overall}} = 63\%$$

From the NPV frequency distribution, construct an expectation curve:

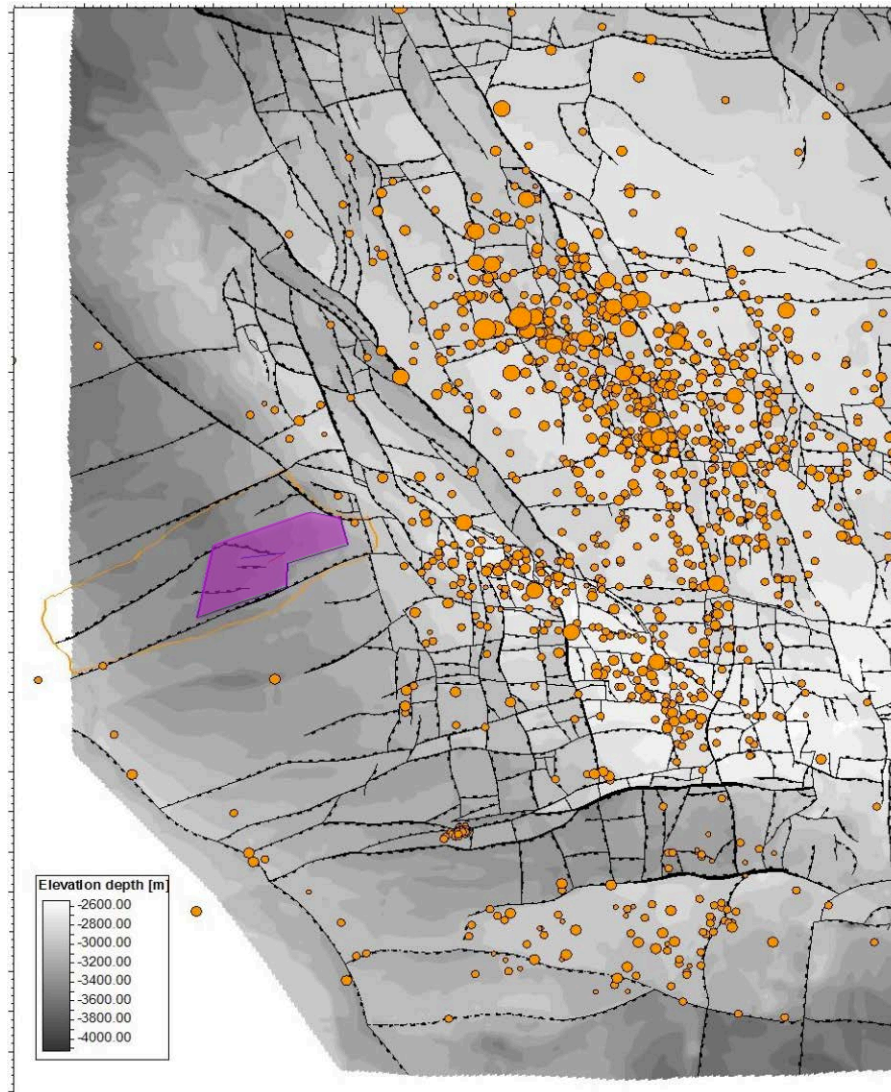
	<u>NPV_{success}</u>	<u>Cost of Failure</u>
P10	141	50
P50	33	55
P90	5	61





Seismic Cross Section Zernike Campus

Geothermal Location in proximity to Groningen Gasfield



- Mw: 0.5 - 1.5
- Mw: 1.5 - 2.5
- Mw: 2.5 - 3.5
- Mw: 3.5 - 4.0

— Zernike license boundary

0 5000 10000m





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