Social License to Operate in Geothermal Energy

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Social License to Operate (SLO) : Origins

- Concept emerged from the mining sector (following a World Bank sponsored meeting on mining and the community in 1997).

- Developed as a response to 2007 UN Declaration on the Rights of Indigenous People which requires states to obtain free, prior, and informed consent ("FPIC") from the indigenous people affected by development in their territory.

- Earlier roots: Shocker and Sethi work in 1973 on corporate management theory and the need for a social contract.
Social License to Operate (SLO) : Context

- SLO gained later traction within the resource development sector.
Social License to Operate (SLO) : A Definition

“A Social License to Operate (SLO) is a theoretical construct representing the degree to which a corporation and its activities meet the expectations of local communities, the wider society, and various constituent groups. It is an implied consent, independent from legal or statutory requirements.”
Social License to Operate (SLO): Models

Pyramid Model
(by Thomson and Boutilier, 2011)

Triangle model
(modified from Wüstenhagen et al., 2007)

Three-strand model
(modified from Morrison, 2014)
SLO in Geothermal: Where to start?

Social license to operate

GEOTHERMAL ENERGY

This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 857830.
SLO in Geothermal Energy: Characteristics & Role

- Intangible ethical construct
- Dynamic & Continuous
- Multiscale & Measurable

- Depends on community acceptance of the industry as a whole
  - Use of land and water resources
  - Gas emissions (CO$_2$, H$_2$S, etc.)
  - Induced seismicity

- Depends on community desire of the industry
  - Diverse applications
  - Better quality of life

- Mutual benefits with the community

This SLO aims to:
- Reduce the risks of public criticism and social conflicts.
- Provide a universally accepted social acceptance framework for the different types of geothermal investment projects.
- Ensure:
  - More transparency
  - Reduced Investment risk
  - More versatile and easier engagement for crowdfunding
Conceptual Framework of SLO in Geothermal Energy

Barich et al., 2022

Deliverable 1.5
Thank you for your attention!

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