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Edward White Fri, 10 May 2013



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Top Energy has taken the first step towards a \$500 million investment at its Ngawha geothermal field.

The Far North lines company has purchased new land next to its 25 MW power plant site on the outskirts of Kaikohe. It is now planning exploratory drilling there to prove the resource's suitability for electricity generation or industrial process heat.

"Although we will not know exactly what we have until we explore through test drilling, we believe there could be enough resource for an additional 100 MW of energy," chief executive Russell Shaw says.

The company expects to next year apply for resource consents for the drilling programme. And, depending on the outcome of that work, it may seek consents in 2015 to build the power or steam generating plants.

The company is considering building four 25 MW Ormat binary units, replicating the existing power station commissioned at Ngawha in 2008.

Economic development

An investment of around \$500 million would be needed to build the new 100 MW plant. If development proceeds, Shaw expects funds would come from leveraging the company's existing assets and bringing in additional investors.

The expanded plant would supply enough energy to power the Far North and export electricity to the rest of Northland. The company believes the resource could also create opportunities for new industry.

"We're working closely with the economic development agency Northland Inc. to attract industry that could use the additional electricity or alternately make direct use of heat from the geothermal fluid," Shaw says.

"Industries like wood processing, dairy processing and aquaculture use significant amounts of heat for their industrial processes in addition to electricity to power their

operations. Just one of these production plants could create as many as 200 new jobs in the immediate area.”

The investment, and subsequent jobs, could provide a much-needed boost for the region. Northland had the highest rates of unemployment in the country at 9.5 per cent at the end of last year, according to the Ministry of Business, Employment and Innovation. That was up on the New Zealand average of 6.8 per cent, and the next highest regions Bay of Plenty, and Gisborne and Hawke’s Bay at 8.6 per cent.

Shaw says Top will now begin consultations with affected parties.

“It is still early days, however we are optimistic that we can create new opportunities for the region and we intend to work closely with the community and local residents to do that.”

The Ngawha project was built in two stages. The first 10 MW pilot was completed in 1998 and the second unit, which added 15 MW, was commissioned in 2008.

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