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Media Release: Energy Strategy has a Positive View on Geothermal Development

The New Zealand Geothermal Association is pleased to see the positive view of geothermal energy expressed within the New Zealand Energy Strategy discussion document.

Geothermal energy is seen as one of the major contributors to our future energy supply. Price curves within the Strategy show substantial quantities of new geothermal development over the next few years at competitive prices.

There are also substantial quantities of other renewable resources, but one of the major advantages of geothermal energy is its reliability. It can provide steady generation independent of weather.

Current generators of geothermal electricity in New Zealand include Contact Energy, Tuaropaki Power Company, Mighty River Power, Top Energy, Norske Skog Tasman, and Bay of Plenty Electricity. A number of Maori trusts own steamfield assets or have plans to develop generation. This includes Ngati Tuwharetoa Geothermal Assets which owns wells and the geothermal steam supply system to the Kawerau mill complex.

At present just over 400MW of geothermal generation capacity is installed. Accounting for consent restrictions it is thought that an additional 1200MW of generation could be added in the long term in stages. Initial developments over the next 10 years could total 600MW.

Generation is one side of the geothermal picture. Another side is the direct supply of heat, for home, office or industry. The amount of geothermal energy that is currently used for direct heating applications matches the energy generated in geothermal power stations. Further development in this area is occurring. Contact Energy for instance has recently completed a development on the Tauhara field to supply steam to a timber drying operation that previously used gas as its heat source. There is opportunity to expand this into an energy park concept. Frequently the output of wells (and injection capacity of reinjection wells) far exceeds the demand. Reticulation to multiple users is the logical step towards spreading costs and risks.

Another technology just arriving in New Zealand is "geothermal" heat pumps. These don't rely on hot geothermal environments but can be located nearly anywhere relying on the relatively stable temperatures in the ground or surface waters compared with air temperatures. Because of stable

temperatures, geothermal heat pumps don't have to work as hard as the more common air source heat pumps so are more efficient, though more expensive to install. They are now being installed in a few new high energy demand homes around the country.

There is a legacy of Crown research on various high temperature fields that is now being supplemented by commercial investigations of these. There is an ongoing need for New Zealand scientists and engineers to be involved in research and development, so they stay at the forefront of world expertise as they have been in the past, and so the appropriate use (or protection) of all of New Zealand's resources can be considered.

There are training initiatives that need to be supported to maintain the high quality of advice and practice within this expanding industry.

The New Zealand Geothermal Association is a scientific, educational and cultural organisation. Its aim is to encourage, facilitate and, where appropriate, promote coordination of activities related to the worldwide and national research, development and application of geothermal resources. It has a diverse membership that not only includes those whose main interests are large scale geothermal energy development such as developers, consultants and service companies, but also research institutions, universities, regulatory authorities and Maori groups. The New Zealand Geothermal Association will be considering this draft Strategy in detail and will be making submissions.

For more information on geothermal energy contact the New Zealand Geothermal Association (either Brian White, Executive Officer, ph 0274 771 009 or Colin Harvey, President, ph 07 3748 211 or see the website www.nzgeothermal.org.nz).