



*East Harbour Management Services Ltd*  
*PO Box 11-595, Wellington*  
*New Zealand*  
*Tel: 64-4-385-3384*  
*Fax: 64-4-385-3397*  
*E-mail: [brian.white@eastharb.co.nz](mailto:brian.white@eastharb.co.nz)*  
*[www.nzgeothermal.org.nz](http://www.nzgeothermal.org.nz)*

## **NZGA Newsletter February 2009**

Happy New Year everyone even though it is almost the end of February already.

The following is our first Newsletter for 2009.

### **NZGA Officers and Observers**

Spence McClintock graciously accepted the position of Vice President and takes over from Kevin Brown who retired last year after conscientiously filling the roles of Treasurer and more recently Vice President.

Judith Magyari has generously agreed to take on the role as NZGA Secretary, and has operated in this role since shortly after the AGM. Judith takes over from Mike Glucina who retired after many years of sterling service to the board.

With Board rotation policy and retirements we also lost the services of Alastair Maxwell, John Bottomley and Mike Mongillo but are pleased to welcome Cito Gazo, Claude Bannwarth, Marcel Manders, Paul Quinlivan, and Spence McClintock as new board members. Katherine Luketina continues as observer for Environment Waikato while Bridget Robson was welcomed as the new observer for Environment Bay of Plenty.

Murray Stanley found he was unable to continue with his Board role following the elections, so the Board has co-opted Mark Trigg from Contact to fill Murray's role until the next elections.

We would sincerely like to thank all those who have served on the NZGA Board over the last years and have been sorry to say farewell.

For a full list of current Board members and their affiliations see the NZGA website [http://www.nzgeothermal.org.nz/about\\_NZGA.asp](http://www.nzgeothermal.org.nz/about_NZGA.asp)

Brian White continues as our Executive Officer, Colin Harvey continues as President for this year and Pat Brown continues as Treasurer.

### **Membership**

We are pleased to report that late last year we passed the 200 membership mark. This growth from just over 130 members (four years ago) reflects the growth and wider spread interest in the geothermal industry. Currently we stand at 222 members.

### **NZGA Budgets**

The NZGA is in good financial shape and our Treasurer, Pat Brown is comfortable with current expenditure against budget. However we note that the Executive Officer's contract and costs will be reviewed later this year.

## **The 2008 Workshop and Seminar**

This was again a very successful combined event and we are now awaiting the financial analysis which is being completed by the University of Auckland. For those of you that may have missed the very successful event, the week's programme included:

- A one day workshop on sustainability (organised by Chris Bromley of GNS under the geothermal annex of the IEA)
- A one day introduction to geothermal workshop (organised by the University of Auckland, IESE and NZGA)
- Two days of workshops under the University of Auckland IESE Geothermal banner
- A one day NZGA Seminar
- Field visits to Wairakei (Contact Energy), Rotokawa and Kawerau (both Mighty River Power)
- An open day at Wairakei on the Saturday followed by a 50<sup>th</sup> celebratory dinner in the evening.

The numbers at our seminar were swelled by the Wairakei 50<sup>th</sup> anniversary celebrations, and Contact generously hosted the venue hire for the Workshop and Seminar as an extension of these celebrations. Total attendance at the Workshop and Seminar exceeded 200 and is the largest national event in the last decade.

The field trips that were hosted by Contact and Mighty River Power showcased existing, recent and upcoming developments. All this recent activity was also reflected in papers presented through the week.

While "growth" was an underlying theme throughout the week, and there were many side discussions around this in the various breakouts, the Seminar enabled some focused discussion. This had the effect of changing the Action Plan that the Association focuses on, and is swinging training issues into the spotlight.

The content of the event, the strong attendance and the interest of overseas parties (including delegations from Chile, El Salvador and Indonesia), all spoke of the vibrancy of the New Zealand geothermal community and strong level of activity.

### **Deep Geothermal**

Colin noted that the Government had approved \$1m of funding for deep geothermal research provided it was backed by industry funding. GNS and the University of Auckland will be following up companies with a view to supporting funds.

### **Policies to Encourage Renewable Energy**

The Association wants to ensure that the industry is encouraged by appropriate government policy initiatives. An energy policy researcher named Eric Martinot from the US, but based in Beijing, China until recently, has published information on government policies around the world to encourage renewables such as geothermal energy. For a copy of Renewable 2007 Global Status Report see [http://www.martinot.info/RE2007\\_Global\\_Status\\_Report.pdf](http://www.martinot.info/RE2007_Global_Status_Report.pdf).

It will be important for the new Government to develop policies that take account of New Zealand's specific strengths and weaknesses. NZGA representatives will be meeting with the new Minister of Energy, Gerry Brownlee, shortly to discuss the geothermal industry in general and some relevant issues.

### **Status of 'Cost of Geothermal' Report**

Some years ago, Peter Barnett started a valuable report for NZGA on the cost of geothermal electricity generation. The Board has been encouraging finalisation. We have now been assured by Paul Quinlivan that this report will be finalised in February 2009. NZGA will add it to the website when it comes to hand. The report input benefited from a lot of discussion around the Board and sets out some of the expected costs as in late 2006 in a logical way,

while also looking towards the effect of commodity price increases which may have been and gone in the intervening period. The report acts as a snapshot of costs at a point in time and it is up to others to adjust this to current day prices and to run costs in their own financial models for the financial parameters that are relevant to them. The analysis undertaken in the report parallels the analysis undertaken by government in looking at projects.

### **Update on Western Pacific Regional Branch**

Jim Lawless has been working with a Chinese delegation intending to visit New Zealand in February, though details have not been finalised.

The major focus this year for the WPRB will be a Seminar to be held in China in September.

### **Training**

The geothermal industry and the NZGA are putting greater attention on geothermal training both at tertiary and trades level. The topic was hotly debated at the NZGA Seminar in November. Juliet Newson heads the NZGA Education Subcommittee that met in December with relevant people to discuss the broad training issue.

There is still a need to raise the profile and image of geothermal energy from schools to attract both high school students and upcoming graduates into the Energy industry.

Juliet is now working on a scope of work for an integrated skills action plan with the Executive Officer and Treasurer with a view to commissioning this with NZGA funding directly. The skills action plan will be based on a similar initiative by the oil and gas industry as shown to the subcommittee by Diane Bradshaw of GNS Science.

### **Plans for the 2009 NZGA Seminar**

The initial Board suggestion was a two-day Seminar including a technical day and a non-technical policy day that could be of interest generally and to new investors. Location should be in the Taupo/Rotorua area. If possible field trips should be included in the overall programme. MRP indicated a willingness to assist with this.

Suggested topics for various seminars include:

- Coping with Change and the New Regime – this could be the theme of the broad policy-based seminar. It could include the new Govt perspective, recession effects, adjusted oil price effects, etc
- Down hole measurements seminar – a technical session – possibly day two if there is a 2-day seminar
- Direct use and small generation (of interest for EECA funding)

A small subcommittee will consider initial options and make recommendations to the Board by the end of March.

### **World Geothermal Congress 2010**

The deadline for abstracts was January 31<sup>st</sup> 2009 but we feel sure that if you submit an abstract in February it would be accepted.

The website address is <http://www.wgc2010.org/working/index.php>

For your calendars, the dates are Bali Indonesia 25<sup>th</sup> – 30<sup>th</sup> April 2010.

Fellowships. Jim Lawless is interested in following up companies for fellowships for international attendees at WGC 2010.

NZ Inc Booth Possibility. The suggestion was made that a NZ Inc booth could be taken at the WGC2010. Previously, individual companies have had their own booths but in Antalya in

2005 the opportunity was taken for a combined NZ wine and celebration event. This will be discussed at the next Board meeting.

### **WGC 2015 and Relationship with Australian Geothermal Associations**

The NZGA has combined with the Australian geothermal associations to provide an Expression of Interest in hosting the WGC 2015. The conference would be held in Australia but field trips and short courses would largely be focussed in New Zealand. The Australian geothermal community are working with the Melbourne Convention Centre, and a linked group called The Meeting Planners has agreed to underwrite all conference costs. An Aus\$200k grant has already been secured from the Convention Centre towards the bid. The NZGA role would be to organise New Zealand field trips and manage short courses. An MOU between the NZGA, the Australian Geothermal Energy Group, the Australian Geothermal Energy Association and The Meeting Planners is currently under consideration to define roles, liabilities and costs.

The bid will compete with Germany, Slovakia and Iceland. The strongest competition is now seen as Germany, due to Iceland's remoteness and current economic climate. However we believe that there is a real possibility that we might win this. The period for formal submission of bids has been extended to the end of March following a request from Germany.

Letters of Support. The bid will be helped by letters of support. SKM has produced a letter and the bid will be helped by similar letters from across the New Zealand geothermal industry. If your company would like to offer a letter of support, please contact Brian White for relevant contact details.

Sponsorship. Although the bid is being underwritten, the current budget for the 2015 event assumes considerable sponsorship from industry. This sponsorship will be required closer to the time (assuming we win), so companies will need to keep this in mind for budgeting purposes.

Industry Information. Brian White has sent out queries to geothermal companies several weeks ago. This information is required to clearly indicate the strength and international involvement of the New Zealand geothermal industry. Please provide responses promptly.

### **Action Plan**

Your board continues to work across a range of activities. Our updated, prioritised action plan is as follows. However if you have suggestions then please pass them on to Brian White (Ph.+64 274 771 009; Email Brian.White@eastharb.co.nz) or your local Board member.

Action	Comments	Status
<b>HIGH PRIORITY</b>		
Government Lobbying and Raised Public Awareness	There is now a new Government. NZGA should meet with the new Minister of Energy to generally present a case (and allow a briefing by his officials specifically on geothermal energy)	A request for a meeting has been sent
Submissions on Policy	NZGA will make relevant submissions in response to government consultation documents e.g. NPS on renewable electricity, climate change regulations, etc	Have provided input on Climate Change Regulations
Review of Training Requirements	Information and Education Subcommittee should meet to set its own terms with a view to high level direction for NZGA, and to develop broad industry training strategies. Training and currency of information is critical in an expanding industry with ongoing development. This applies to electricity generation, heat supply and heat pump applications. It covers tertiary and trades development.	Subcommittee meeting held on 19 Dec with key industry representatives (developers, university, consultants). A similar type of skills action plan for the Oil and Gas industry could be a model for the geothermal industry. Contract now being prepared.
<b>INTERMEDIATE PRIORITY</b>		
Website Update	The website will be transferred to the Royal Society website will be continually updated to include latest studies and information. Some of the tasks below reflect current weaknesses in the website and NZGA's knowledge base. This is one of the principal means by which we educate the public and inform our own members.	Continuing action

Annual NZGA Seminar and the New Zealand Geothermal Workshop	These will be the premier industry events for information dissemination and networking.	Ongoing (dates and topics to be confirmed)
Geothermal Short Courses	Short courses (normally crammed into a day), can give a broad overview of geothermal energy for consenting agencies, developers and other interested parties. This assists development directly. Policy and industry overview meetings are still required. 3 courses were held in 2008 and a similar number is expected in 2009.	Suggested seminars direct usage an small generation (with potential EECA funding), coping with change and downhole measurement. A committee will finalise plans
Skills and Services Register	A skills and services register has been developed by HERA to emphasise NZ capabilities and has been added to the NZGA website. This should be updated on a regular basis. It needs to be broadened to include more than manufacturing and engineering skills Members of the Industry Capability Network NZ have a role in linking EPC contractors with local support services.	Underway by HERA
Personnel Capability Report	This is intended as an update on a industry report prepared in 2005.	This update is now likely to be included in the skills action plan being prepared as outlined above.
Geothermal Drilling Review	NZ geothermal drilling should be reviewed. The review should include: the Code of Drilling Practice, certification of drillers, industry resources, drilling training programmes (possibly including NZ and Aus crews).	Hagen Hole has been invited to undertake a scoping study on drilling regulation and legislation as an initial step
Incentives for Geothermal	In terms of policies to incentivise development, there is a need to consider the specific New Zealand context to help shape government policy in this area, including a look behind the reasons for types of policies. Additional incentives may be required to meet renewables targets. Barriers to development should also be reviewed.	Eric Martinot has provided recent papers on international policies to encourage investment in renewables. <a href="http://www.martinot.info/re2005.htm">http://www.martinot.info/re2005.htm</a>
Small Generator Issues	While large generators can handle their issues, there may be a large number of issues faced by small generators. The various hurdles should be reviewed to outline solutions or to identify barriers to officials with a view to regulatory changes.	
Description of Major Geothermal Developments	This information, aimed at the public and those with a general geothermal interest, is of general interest.	All major developers have now been approached with information requirements. Contact and MRP have committed to complete this.
Geothermal Heat Pump Studies	Heat pumps are now entering the New Zealand market. Initial indications are that, for large domestic loads (including water heating) and above, this option is competitive with other common heating options so could be a significant contributor to our national energy future.	Report by Beca to be revised, with additional input from MWH
Assessment of Direct Heat Usage	Baseline data is now available. Future requirements are for ongoing monitoring of changes. This should be updated before the 2010 WGC conference and associated country update	A baseline report was developed in 2006. Historical use over time was approximated in a 2007 NZGA Seminar paper. EECA has offered funding.

## Final Words

It was great to catch up with many in the industry in November and see some of the recent developments first hand. All this reinforces the quality and depth of our workforce. But succession, ongoing development and industry expansion all help to bring training issues to the fore.

The skills action plan will help to address this in a broad sense and at a high level. The upcoming seminars will give further upskilling/broadening opportunities. Close cooperation with the various companies will be required as we take this forward.

Brian White and Colin Harvey  
New Zealand Geothermal Association  
February 2009