

# Submission from Canistra Ltd on the Draft New Zealand Geothermal Strategy

**To:** Resource Policy Team, Ministry of Business, Innovation and Employment

**From:** Canistra Ltd

**Date:** September 2025

## Introduction

As I am passionate about geothermal energy and work as an independent consultant, I welcome the release of From the Ground Up - A Draft Strategy to Unlock New Zealand's Geothermal Potential. I strongly support MBIE's ambition to double geothermal use by 2040 and really appreciate the collaborative approach taken in its development.

As a board member of the NZGA, my personal submission complements the NZGA's detailed input. I try to focus on the perspective from Canistra as a technology enabler and innovation partner. We highlight specific opportunities where targeted actions will accelerate innovation, de-risk investment, and strengthen New Zealand's position as a global leader.

## 1. Innovation and a Geothermal Centre of Excellence

New Zealand's geothermal development is respected worldwide. To maintain leadership, innovation must be encouraged and supported through a Geothermal Centre of Excellence.

- Having a hub for R&D and technology transfer, connecting operators, Māori enterprises, technology companies, and international partners.
- Enable rapid demonstration of new tools (e.g., advanced drilling technologies, high-temperature systems).
- Build capacity for both science and applied field testing.

I believe we could drive more innovation and with that create global leadership which will support local communities through more job opportunities and education.

## 2. International Collaboration

Geothermal development is becoming a global industry and I believe that New Zealand must continue to collaborate with advancing geothermal technologies:

- **Netherlands:** Their national program funds test drilling and provides guarantees that reduce exploration risk for operators. A similar model could increase the prospects for direct heat projects in New Zealand.
- **South East Asia:** Each offers models of public and private partnerships, financing, and technology integration that New Zealand can adapt.

Government support for international collaboration, knowledge exchange, staff secondments, and joint demonstration projects can strengthen both domestic expertise and export potentials.

## 3. De-Risking Through Exploration and Test Wells

Exploration drilling is one of the high risk barriers in geothermal development. Without reliable data, investors hesitate, and projects stall.

- We support NZGA's recommendation for a publicly funded, shared-liability drilling program to deliver test wells.
- A centralised dataset of existing wells, modeled after the O&G well database would enable new players on the market.
- Early Crown involvement in exploration drilling will lower commercial risk, enabling private capital to flow. Additionally, the Crown will become a partner in the investment hence will also benefit of the commercial success.

This approach mirrors successful Dutch and European geothermal program, where government co-funded test wells de-risked the early phases of development.

## 4. Collaboration and Talent Development

A bold geothermal strategy requires collaboration across Māori landowners, industry, government, and academia. Canistra also stresses:

- **Workforce development:** Support education to grow the future workforce that is needed to enable the geothermal growth.
- **Small-scale projects:** Supporting direct-use geothermal for greenhouses, food processing, and community heating networks to complement large-scale generation.
- **Regional innovation:** Innovation and technology development will accelerate growth and delivers local economic benefits.

## Conclusion

I fully support the draft Strategy's ambition and endorses NZGA's submission. From a personal view I think the four-focus area's should be on:

1. A Geothermal Centre of Excellence to accelerate innovation.
2. Strengthen international collaboration, adapting proven models from global geothermal players that innovate with EGS and AGS.
3. Reduce investment barriers through government-supported test wells and open data.
4. Collaborate and grow workforce to drive geothermal innovation in New Zealand's regions.

I think that with those actions it will ensure New Zealand not only top doubles geothermal use by 2040 but also will become a trusted, innovative, and global geothermal leader.

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