

Submission on the Draft Geothermal Strategy

From Ngāti Tūwharetoa Geothermal Assets (NTGA)

About NTGA

Ngāti Tūwharetoa Geothermal Assets (NTGA) is a wholesale geothermal energy supplier in Kawerau, owned by Tūwharetoa mai Kawerau ki te Tai Settlement Trust. NTGA's purpose is grounded in the deep cultural connection between our people and the geothermal ngāwhā within our ancestral lands. Geothermal energy is not only a valuable resource, but also integral to our iwi's heritage, spirituality, and guardianship principles (kaitiakitanga).

We develop, manage, and commercialise geothermal energy, operating the Kawerau geothermal resource and a significant fleet of wells and surface infrastructure. NTGA supplies the geothermal energy to the world's largest geothermal process heat operation and over 100MW of electricity generation. In partnership with Eastland Generation, we recently completed a 50MW development at Kawerau and see further significant potential for geothermal development both locally and across Aotearoa.

General Feedback

The draft geothermal strategy is a positive and timely step for the sector and New Zealand. NTGA supports the aspiration to double geothermal energy use by 2040 and to position New Zealand as a world leader in geothermal innovation.

However, for the strategy to be effective, it must prioritise interventions that directly unlock investment and build long-term sector capability. In our view, the top priorities are:

1. De-risking exploration drilling – through government-supported funding models such as tax incentives, accelerated depreciation, or project finance.
2. Coordinated investment in science, R&D, and workforce development – to address the ageing workforce and strengthen sector capability.
3. Commercial incentives for baseload generation development – to encourage investment in high-risk projects

The current Action Plan includes useful initiatives (data access, regulatory reform, promotion of direct use and supercritical technology), but these do not sufficiently address the critical barriers. The principal challenge is not regulation or data availability, but the high upfront capital risk of exploration drilling and the lack of commercially viable project pathways.

A proven precedent exists: the ~850MW of geothermal capacity developed since 2005 relied heavily on resources first de-risked by Crown drilling in the 1950–1980s. A similar enabling approach is required to unlock the next wave of development.

Responses to MBIE’s Questions

1. Are the three strategic outcomes appropriate?

The strategic outcomes are positive but insufficient on their own to deliver the goal of doubling generation by 2040. Achieving this means building ~1200MW of additional capacity, equating to \$8–10 billion in capital investment. Future projects will need to include step-out developments on existing fields or development of smaller, unproven and therefore higher-risk fields. Without mechanisms to reduce exploration risk, the strategy will not materially drive the required level of investment.

2. Do the five action plan goals capture the most important areas?

No. Data access and regulatory reform are useful but not material barriers. The fact that 850MW of capacity was developed under the existing regime demonstrates this. Lobbying and promotion are not essential. Supercritical geothermal is a worthwhile long-term opportunity to develop but is unlikely to contribute within the 2040 timeframe.

3. Does the action plan capture the right government interventions?

Not yet. A stronger and more targeted approach is required, including:

- Exploration funding models – such as tax incentives, accelerated depreciation of exploration costs (e.g. within two years), or project finance structures.
- Commercial incentives for baseload generation – to encourage investment, including private sector investment, in high-risk projects.

4. Is the role for the sector clear?

Yes, and the sector could strengthen its contribution by:

- Co-funding R&D in partnership with government (e.g. via an industry/government fund similar to AgriZero).
- Sharing high-level development plans and de-risking pathways to create a clearer view of sector-wide opportunities.

5. Does the strategy enable tangata whenua aspirations?

Not sufficiently. The principal barrier for iwi landowners has historically been access to capital and capability. Partnerships with gentailer developers have on some fields stalled and not progressed to exploration. A staged exploration funding model—where government and iwi share equity positions that evolve as resource confidence increases—would allow iwi-led projects to progress faster while de-risking early-stage development.

6. Are there opportunities not considered?

Yes. Urban low-grade heat applications should be prioritised. Tauranga and Auckland, in particular, present strong opportunities for heating and process heat.

7. Are there challenges not considered?

Yes. Two critical challenges are:

1. An ageing workforce – The world-class expertise developed between the 1960s and 1980s is retiring. New graduate, trade, and apprenticeship pathways specific to geothermal have not been consistently developed or maintained, creating a talent gap. Solutions could include:
 - Developing a geothermal capability matrix to guide workforce development across developers, R&D, and service companies
 - Establishing geothermal-specific trade qualifications and technical training pathways
 - Scholarships for developing future geothermal drilling engineers, process engineers, reservoir engineers and geochemists
2. A sustainable service industry – Consistent drilling, well services, steamfield design, and construction capability are essential. These depend on steady development activity, which can be incentivised through government co-investment.

8. Are there other inclusions or exclusions needed?

The strategy should explicitly commit to:

- Strengthening New Zealand’s scientific and technical capability
- Building a competitive and sustainable geothermal service industry
- Expanding workforce capacity through targeted training and qualifications

Conclusion

NTGA strongly supports the development of a national geothermal strategy. However, to have an impactful outcome, and achieve the 2040 goal, and the strategy must go further than data access and regulatory reform. The critical enablers are exploration funding models, workforce development, and commercial incentives for baseload projects.

By directly addressing these priorities, the Government, with geothermal operators and developers, can unlock the next generation of geothermal development, strengthen Māori participation and leadership, and ensure geothermal continues to deliver sustainable energy and economic growth for Aotearoa.

Ngā Mihi,

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