

GEOTHERMAL ENERGY AMENDMENT BILL

EXPLANATORY NOTE

Clause 1 relates to the Short Title.

Clause 2 provides that where a borough or county council is authorised by any Act to construct and operate geothermal works and for that purpose to sink any bore and tap, take, use, and apply geothermal energy, the council shall be deemed to be the holder of a licence under the principal Act to sink bores and to tap, take, use, and apply geothermal energy to the extent so authorised.

In such circumstances the sole right to tap and use geothermal energy remains vested in the Crown, but the council will have a statutory licence from the Crown to tap and use the energy.

Clause 3 empowers the Minister of Works, by notice in the *Gazette*, to delegate to any borough or county council his power to grant licences under section 9 of the principal Act.

This delegation would enable a council to control the use and application of geothermal energy within its area.

Clause 4 substitutes a new section 10 of the principal Act relating to the payment of rental for geothermal energy on the basis of the amount of heat used.

At present the Act and regulations provide for the Minister to fix a rental for a licence to use geothermal energy for industrial and commercial purposes up to a maximum of half the value of the benefit derived from using the energy.

The new section provides that rental will be paid only for energy used in excess of ten thousand million British Thermal Units of heat in any year. The rental is fixed at 3d. for every one million British Thermal Units in excess of ten thousand million.

Hon. Mr Allen

GEOTHERMAL ENERGY AMENDMENT

ANALYSIS

Title		3. Delegation of power to grant licences
1. Short Title and commencement		4. Rental payable for use of geothermal energy
2. Right of local authorities to use geothermal energy		

A BILL INTITULED

An Act to amend the Geothermal Energy Act 1953

BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same,
5 as follows:

1. Short Title and commencement—(1) This Act may be cited as the Geothermal Energy Amendment Act 1966, and shall be read together with and deemed part of the Geothermal Energy Act 1953* (hereinafter referred to as the principal Act).
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(2) This Act shall come into force on the first day of December, nineteen hundred and sixty-six.

2. Right of local authorities to use geothermal energy—
15 The principal Act is hereby amended by inserting, after section 3, the following section:

*1957 Reprint, Vol. 5, p. 637

“3A. Where the Council of any borough or county is authorised by any Act to construct and operate any geothermal works, and for that purpose to do all or any of the following things, namely, sink any bore and tap, take, use, and apply geothermal energy, the Council shall be deemed to be the holder of a licence under this Act to sink bores and to tap, take, use, and apply geothermal energy to the extent so authorised.” 5

3. Delegation of power to grant licences—The principal Act is hereby further amended by inserting, after section 9, the following section: 10

“9A. (1) The Minister may, by notice in the *Gazette*, delegate to the Council of any borough or county his power under section 9 of this Act to grant licences. 15

“(2) Subject to any general or special conditions contained in the notice, the Council may exercise the delegated power in like manner and with the same effect as the Minister could himself have exercised or performed it. 15

“(3) Where the Council purports to act pursuant to any such delegation, it shall be presumed to be acting in accordance with the terms of the delegation in the absence of proof to the contrary. 20

“(4) Every such delegation shall be revocable at will by the Minister by notice in the *Gazette*. 25

“(5) Until any such delegation is revoked it shall continue in force according to its tenor. In the event of the Minister by whom any such delegation has been made ceasing to hold office, it shall continue to have effect as if made by the person for the time being holding office as Minister.” 25

4. Rental payable for use of geothermal energy—The principal Act is hereby further amended by repealing section 10, and substituting the following section: 30

“10. (1) The licensee under any licence to use geothermal energy and, where no licence has been granted, any person using or tapping geothermal energy shall each year pay to the Crown a rental of threepence for every complete one million British Thermal Units of heat used in any period of twelve consecutive months in excess of ten thousand million of those units derived from geothermal energy. 35

“(2) The rental payable under this section shall be recoverable from the licensee or, where there is no licensee, from the person using or tapping the geothermal energy as a debt due to the Crown, and shall be paid into the Public Account to the credit of the Consolidated Revenue Account. 40

“(3) For the purposes of this section the term ‘person’ includes any number of persons who by agreement share in using or tapping geothermal energy from one source, and every such person shall be jointly and severally liable to pay
5 the rental payable under this section.”