

## GEOHERMAL STEAM BILL

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### EXPLANATORY NOTE

1. This Bill makes provision for the control of the use of geothermal steam for the purpose of generating electricity and for the control of the tapping of geothermal steam in special areas.

2. *Clause 3* vests in the Crown the sole right to take, use, and apply geothermal steam for the purpose of generating electricity. A similar right in respect of water is vested in the Crown by section 306 of the Public Works Act 1928.

3. *Clause 4* authorizes the Minister in charge of the State Hydro-electric Department to utilize geothermal steam for generating electricity.

4. *Clauses 5* and *6* give powers to enter land for the purpose of making surveys and investigations, to sink bores in any land, and to take land. Similar powers are conferred by sections 107 and 276 of the Public Works Act 1928.

5. *Clause 7* contains provisions enabling the Governor-General in Council to grant licences to any persons to use geothermal steam for the purpose of generating electricity. Similar provisions are contained in section 318 of the Public Works Act 1928.

6. *Clause 8* enables any area of land to be proclaimed a geothermal steam area and prohibits the tapping and use of geothermal steam in any such area without the consent of the Minister. Where steam from a bore in any such area is being used for any purpose at the commencement of the Bill, it may continue to be used for that purpose unless the Minister, having regard to the public interest, otherwise directs.

7. *Clause 9* makes provision for the payment of compensation where land is injured or damaged or any right is lost as a result of the exercise of the powers conferred by or under the provisions of the Bill.

8. *Clauses 10* to *13* contain provisions relating to offences, penalties for offences, and regulations, and provide for the administration of the Bill by the State Hydro-electric Department.

*Hon. Mr. Goosman*

## GEOHERMAL STEAM

### ANALYSIS

Title.	7. Licences for use of geothermal steam for electrical purposes.
1. Short Title.	8. Restrictions on tapping of geothermal steam in special areas.
2. Interpretation.	9. Compensation for injury or damage to land.
3. Right to use geothermal steam for generating electricity to vest in Crown.	10. Offences in respect of geothermal steam.
4. Powers of Minister as to utilization of geothermal steam and electricity generated thereby.	11. General penalty for offences.
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6. Power to take land.	13. Act to be administered by State Hydro-electric Department.

### A BILL INTITULED

AN ACT to make provision for the control of the use of geothermal steam for the purpose of generating electricity, and for the control of the tapping of geothermal steam in special areas. Title.

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

1. This Act may be cited as the Geothermal Steam Act 1952. Short Title.

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2. In this Act, unless the context otherwise requires,— Interpretation.

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“ Bore ” means any well, hole, or pipe which is bored, drilled, or sunk in the ground for the purpose of investigating, prospecting, obtaining, or producing geothermal steam, or

which taps or is likely to tap geothermal steam; and includes any hole in the ground which taps geothermal steam:

“ Geothermal steam ” includes steam, water, water vapour, and every kind of gas, and every mixture of all or any of them, that has been heated by the natural heat of the earth: 5

“ Geothermal steam area ” means any area which is constituted a geothermal steam area under this Act: 10

“ Minister ” means the Minister for the time being charged with the administration of the Electricity Act 1945.

1945, No. 36

Right to use geothermal steam for generating electricity to vest in Crown.

Powers of Minister as to utilization of geothermal steam and electricity generated thereby.

3. Subject to the provisions of this Act, the sole right to take, use, and apply geothermal steam for the purpose of generating electricity shall vest in the Crown. 15

4. (1) Subject to the provisions of this Act, the Minister may—

(a) Take and use geothermal steam from any bore on any land: 20

(b) Erect, construct, provide, and use such works and appliances as may be necessary in connection with the taking, use, and application of geothermal steam for the purpose of generating electricity, and in connection with the transmission, use, supply, and sale of electricity when so generated. 25

(2) In connection with the taking, use, and application of geothermal steam for the purpose of generating electricity and with the transmission, use, supply, and sale of electricity when so generated, the Minister shall have and may exercise without any authority other than this Act all or any of the powers which are or may be conferred on him by or under Part XIII of the Public Works Act 1928 and which relate to the utilization of water power for the generation of electrical energy and the transmission, use, supply, and sale of electrical energy when so generated. 30 35

See Reprint of Statutes, Vol. VII, p. 767

(3) All works and appliances erected, constructed, or provided by the Minister under this Act shall be public works within the meaning of the Public Works Act 1928, and the provisions of that Act 40

shall, with all necessary modifications, apply in like manner as if the works and appliances had been erected, constructed, or provided under that Act.

5 (4) All works and appliances erected, constructed, or provided by the Minister under this Act shall be maintained and worked by the Minister in accordance with the provisions of the State Supply of Electrical Energy Act 1917, and in each case shall, as the Minister may determine, be deemed to be a scheme approved by him  
10 in accordance with that Act, or be deemed to form part of an existing scheme approved or deemed to be approved by the Minister under that Act.

See Reprint of Statutes, Vol. III, p. 89

15 5. (1) For the purposes and subject to the provisions of this Act, the Minister, or any person authorized specially or generally in that behalf in writing by him, may—

Power to enter land, make surveys, and construct bores.

(a) Enter and re-enter from time to time upon any land, with such assistants, gear, appliances, and equipment as he thinks fit, for the purpose  
20 of making surveys, investigations, tests, and measurements:

(b) Sink any bore in any land:  
(c) Generally do all things necessary in connection  
25 with any such survey, investigation, test, or measurement.

(2) When practicable, reasonable notice of the intention to enter upon any land shall be given to the owner and occupier thereof.

30 (3) Every person who is authorized in writing as aforesaid shall produce his authority when so required by the owner or occupier of any land on which he intends to enter or has entered.

35 6. The Governor-General may take, under the Public Works Act 1928, as for a water power work within the meaning of that Act, any land necessary for the taking, use, or application of geothermal steam for the purpose of generating electricity.

Power to take land. Ibid., Vol. VII, p. 622

40 7. (1) Notwithstanding anything to the contrary in this Act, the Governor-General may from time to time, by Order in Council, grant to any person (hereinafter with the successors or assigns of that person called the licensee), a licence to take, use, and apply geothermal steam for the purpose of generating electricity.

Licences for use of geothermal steam for electrical purposes.

(2) The licence shall be for such period, and shall be subject to such terms and conditions, and may impose such obligations on the licensee, as the Governor-General in Council thinks fit, and shall be assignable only with the consent of the Governor-General in Council.

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(3) The licence shall be deemed to constitute a contract between the licensee and the Crown, and shall be enforceable by and against either party accordingly.

(4) The Governor-General in Council may at any time, on the application of or by agreement with the licensee, revoke or amend or extend or vary the terms, conditions, and obligations of the licence.

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(5) The granting of the licence shall not be so construed or so operate as to relieve any person from any liability at law or in equity in respect of anything done pursuant to the licence.

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(6) Nothing in the licence shall be so construed or shall so operate as to render compliance with section eighty-nine of the Statutes Amendment Act 1945 unnecessary.

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1945, No. 40

Restrictions on tapping of geothermal steam in special areas.

8. (1) The Governor-General may, by Proclamation, which may from time to time in like manner be amended or revoked, declare that any area of land which is a source or is believed to be a source of geothermal steam shall be a geothermal steam area for the purposes of this Act.

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(2) Notwithstanding anything to the contrary in any Act, instrument of title, or rule of law, no person shall sink or use any bore in any geothermal steam area without the prior written consent of the Minister:

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Provided that, where geothermal steam from any such bore is being used for any purpose at the commencement of this Act, geothermal steam from that bore may thereafter be used for that purpose to a similar or lesser extent without any such consent unless the Minister, having regard to the public interest, otherwise directs.

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(3) The Minister, in his discretion, may refuse any application for his consent under this section or may grant the application wholly or partly, and either unconditionally or upon or subject to such conditions as he thinks fit.

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(4) Any consent granted under this section may be at any time revoked by the Minister, and any such conditions as aforesaid may from time to time be varied, added to, or revoked by the Minister.

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(5) The granting of any consent under this section shall not relieve any person from any liability at law or in equity in respect of anything done pursuant to the consent.

5 (6) Every person who sinks or uses any bore in contravention of this section or of any conditions imposed thereunder commits an offence against this Act.

9. (1) Every person who—

Compensation  
for injury or  
damage to land.

10 (a) Has any estate or interest in any land injuriously affected by the exercise of any powers conferred by this Act or conferred by any licence granted under this Act; or

(b) Suffers any damage from the exercise of any powers so conferred; or

15 (c) Is deprived by or under any of the provisions of this Act, other than those contained in section *eight* hereof, of any right vested in or exercised by him at the commencement of this Act; or

20 (d) Is deprived by or under any of the provisions of section *eight* of this Act of any right vested in or exercised by him at the date of the Proclamation of the geothermal steam area which affects the right—

25 shall be entitled to full compensation for all such loss, injury, and damage suffered by him.

(2) Where any claim for compensation under this Act arises in respect of the exercise of any power by or on behalf of the Crown or the Minister, the Minister of Works shall, subject to section one hundred of the Public Works Act 1928, be liable for the compensation (if any) that becomes payable, and shall be the respondent for the purposes of that Act.

See Reprint  
of Statutes,  
Vol. VII, p. 664.

35 (3) Where any other claim for compensation under this Act arises in respect of the exercise of any power by or on behalf of any licensee, the licensee shall be liable for the compensation (if any) that becomes payable and he shall be the respondent for the purposes of the Public Works Act 1928.

40 (4) Claims for compensation under this section shall be made and determined as claims for compensation under the Public Works Act 1928, and the provisions of

that Act shall, so far as they are applicable and with the necessary modifications, apply with respect to claims under this section.

Offences in respect of geothermal steam.

**10.** Every person who without colour of right takes, uses, or applies geothermal steam for the purpose of generating electricity, or who fails to perform, observe, or comply with any term, condition, or obligation of any licence granted to him under this Act, commits an offence against this Act. 5

General penalty for offences.

**11.** Every person who commits an offence against this Act for which no penalty is provided elsewhere than in this section shall be liable on summary conviction to a fine not exceeding fifty pounds and, if the offence is a continuing one, to a further fine not exceeding five pounds for every day or part of a day during which the offence continues. 15

Regulations.

**12.** (1) The Governor-General may from time to time, by Order in Council, make all such regulations as may in his opinion be necessary or expedient for giving full effect to the provisions of this Act and for the due administration thereof. 20

(2) All regulations made under this section shall be laid before Parliament within twenty-eight days after the date of the making thereof if Parliament is then in session, and, if not, shall be laid before Parliament within twenty-eight days after the commencement of the next ensuing session. 25

Act to be administered by State Hydro-electric Department. 1945, No. 36

**13.** (1) This Act shall be administered by the State Hydro-electric Department established under the Electricity Act 1945. 30

(2) Section three of the Electricity Act 1945 shall apply in all respects as if this Act were one of the Acts specified in the Schedule to that Act.