



MAJOR ELECTRICITY USERS' GROUP

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Media release by the Major Electricity Users' Group (MEUG)

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MEUG congratulates Mighty River Power expansion into overseas geothermal energy developments

"Investment by Mighty River Power (MRP) in a 49.9 MW geothermal power station development in Southern California appears to be a positive step," said Terrence Currie, Chair of the Major Electricity Users' Group (MEUG).

"MRP has implemented an excellent strategy of building expertise in geothermal energy developments and working with land owners. The pay-off has been a large level of investment in geothermal power station development in New Zealand that, in our view, will stabilise or at least reduce the rate of increase in wholesale prices for several years.

"The decision by MRP to use their geothermal energy development expertise to enter into overseas markets is not riskless. The performance of MRP and its Board, as for all the SOE's, should be carefully monitored to ensure such endeavours are wealth creating. More work is needed by the Government's Crown Ownership Monitoring Unit to match the level of scrutiny that the share market would apply to similar transactions for listed companies.

"Given the potential for further geothermal developments in New Zealand and the global interest in renewable energy sources, MRP and New Zealand will benefit from appropriate international activities.

"We therefore congratulate the Board and staff of MRP for taking up the challenge. This is just the sort of innovative niche development of overseas markets we need" concluded Mr Currie.