

Standing Committee on
Government Operations



Report on Committee's Review of the Northwest Territories Power Corporation's Governance and Service Delivery Model

20th Northwest Territories Legislative Assembly

Chair: Mr. Julian Morse

MEMBERS OF THE STANDING COMMITTEE ON GOVERNMENT OPERATIONS

Julian Morse
MLA Frame Lake
Chair

Kate Reid
MLA Great Slave
Deputy Chair

Richard Edjericon
MLA Tu Nedhé-Willideh

Robert Hawkins
MLA Yellowknife Centre

Denny Rodgers
MLA Inuvik Boot Lake

Jane Weyallon Armstrong
MLA Monfwi

Alternates

Daniel McNeely
MLA Sahtu

Kieron Testart
MLA Range Lake

STANDING COMMITTEE ON GOVERNMENT OPERATIONS

REPORT ON THE REVIEW OF THE NORTHWEST TERRITORIES POWER CORPORATION'S GOVERNANCE AND SERVICE DELIVERY MODEL

TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
INTRODUCTION AND BACKGROUND	1
SCOPE OF WORK AND METHODOLOGY	3
REVIEWS BY PREVIOUS LEGISLATIVE ASSEMBLIES	3
PUBLIC ENGAGEMENT.....	4
CROWN CORPORATION GOVERNANCE PRINCIPLES.....	5
NTPC GOVERNANCE AND STRUCTURE.....	8
INDIGENOUS PARTNERSHIPS AND ENERGY SOVEREIGNTY.....	12
PUBLIC CONFIDENCE, TRANSPARENCY AND COMMUNICATIONS	13
ALTERNATIVE GOVERNANCE AND UTILITY MODELS.....	14
CONCLUSION	18
ENDNOTES	19

STANDING COMMITTEE ON GOVERNMENT OPERATIONS

REPORT ON THE REVIEW OF THE NORTHWEST TERRITORIES POWER CORPORATION'S GOVERNANCE AND SERVICE DELIVERY MODEL

EXECUTIVE SUMMARY

The Standing Committee on Government Operations (Committee) undertook a review of the Northwest Territories Power Corporation's (NTPC) governance and service delivery model to determine whether its governance and service delivery model is positioned to meet the territory's evolving energy and public-policy needs.

NTPC plays a central role in delivering electricity across the Northwest Territories (NWT), where reliability, affordability, and public accountability are challenges. As the Government of the Northwest Territories (GNWT) advances energy transition priorities, effective governance, not just technical capacity, has become critical to ensuring NTPC can adapt, respond to emerging pressures, and meet the needs and expectations of the communities it serves. The Minister's 2025 direction letter to the NTPC hybrid board and ongoing GNWT reviews of NTPC and NT Hydro's governance structures signal a moment of meaningful institutional change.

Committee's review and resulting findings underscore the need for clearer GNWT policy direction, stronger system-wide coordination, and a governance framework capable of supporting innovation and energy transition. Committee expects the GNWT to act on these recommendations within the 20th Assembly to strengthen NTPC's long-term effectiveness and its service to residents.

INTRODUCTION AND BACKGROUND

Committee is pleased to present its Report on the Review of the Northwest Territories Power Corporation's Governance and Service Delivery Model.

As a subsidiary of the Northwest Territories Hydro Corporation (NT Hydro), NTPC is a public Crown corporation wholly owned by the GNWT. Crown corporations serve both commercial and policy objectives. NTPC is the primary provider of electricity to communities across the NWT, and its activities are regulated by the NWT Public Utilities Board (PUB).

NTPC supplies electricity to 26 of the NWT's 33 communities, serving approximately 45,000 residents across an area of 1.3 million square kilometres.¹ Many of these communities are accessible only by air, barge, or winter road, adding significant complexity to the delivery of reliable power. NTPC manages more than \$630 million in assets including hydroelectric, diesel, and liquefied natural gas generation facilities, transmission systems, and numerous isolated distribution networks. NTPC additionally owns and operates alternative energy assets, including residual heat systems, solar installations, and co-generation facilities.

Delivering dependable electricity in the North presents persistent challenges, and electricity rates in the NWT remain among the highest in Canada. At the same time, governments across Canada, including the GNWT, are advancing energy transition policies to reduce reliance on fossil fuels that will shape the future of power generation and distribution in the territory.

While technical power system challenges fall outside the mandate of Committee, it is within its purview to examine whether NTPC's governance structure, including its operational and funding models, positions the corporation for long-term success. Effective governance is essential to ensuring that NTPC can respond to emerging pressures, adapt to the energy transition, and meet the needs of the residents and communities it serves.

Through the Minister's September 2025 direction letter to the NTPC Board of Directors,² the GNWT signaled its intent for NTPC to improve its governance and align efforts with respect to energy transition while fostering NWT key priorities. Energy transition will require a governance framework that is robust, transparent, and fit for purpose. Committee regards the 2025 establishment of a modernized, hybrid NTPC board as both timely and appropriate, and took this progress into account when shaping its recommendations. Committee is also aware that the GNWT is currently reviewing NTPC and NT Hydro's governance and accountability structures. Committee notes that other stakeholders, including the Northwest Territories Association of Communities, have called on the GNWT to review NTPC's governance model.³

Lasting improvement will require more than internal reforms; it depends on clear and timely policy direction from the GNWT and stronger coordination and collaboration across the broader energy system. For these reasons, Committee's study is well-timed. Its findings and recommendations are intended to help NTPC advance its objectives, strengthen the delivery of essential services to residents, and support the priorities of the 20th Legislative Assembly and those that follow.

SCOPE OF WORK AND METHODOLOGY

For the purposes of this review, Committee examined NTPC's governance structure and its effectiveness in supporting reliable, accountable service delivery. This work included reviewing key corporate and governance documents; assessing NTPC's functions, internal and interdepartmental relationships, and performance against established objectives; identifying gaps, inefficiencies, and strengths within the current model; and developing recommendations to the GNWT, NT Hydro, and the NTPC Board that fall within the Committee's mandate to review public agencies and government service delivery.

The scope of work involved a combination of expert witness testimony, stakeholder feedback, desk-based research, and data analysis to identify challenges and opportunities within NTPC's governance and corporate structure. The project was guided by principles of transparency, inclusivity, and respect for Indigenous rights and knowledge.

Committee expects that Government will act on this report and recommendations within the lifetime of the 20th Assembly.

REVIEWS BY PREVIOUS LEGISLATIVE ASSEMBLIES

As part of its study, Committee undertook a review of previous Legislative Assemblies' studies on NTPC governance topics to understand historical themes and concerns.

NTPC has faced sustained scrutiny over several decades driven by high power costs, recurring debates over privatization, and major structural changes such as the creation of Nunavut. The 12th Assembly's Abbott Report concluded that privatization was technically feasible and could generate useful revenue for high priority needs such as housing and healthcare while maintaining regulated rates.⁴ This prompted committee reviews and polarized public debate.

Early examinations emphasized the need for strong ministerial oversight and reaffirmed NTPC's role as a vital public instrument in delivering affordable and reliable power. Committees also stressed maintaining subsidies to equalize electricity rates, strengthening northern hiring and procurement, and clarifying NTPC's mandate as tensions grew between its business and social objectives. Public resistance to privatization resurfaced in 2009, and the 2010 Review Panel recommended that the GNWT establish clear expectations for NTPC's role and define what it expects NTPC to be, recognizing the need to transition the electricity sector over the next 10-20 years.⁵

As Nunavut's division approached, committees examined how to restructure NTPC while preserving affordability and exploring alternative energy sources, even considering whether NTPC should expand into fuel delivery to balance efficiency with public control. Reviews consistently emphasized that energy research and development should remain a government responsibility until technologies are viable, at which point NTPC can assess their suitability for ratepayers. More recent Assemblies called for structural and operational reviews to support innovation and energy self-sufficiency, and warned that replacing NTPC's independent board with deputy ministers weakened oversight, while highlighting the importance of Indigenous representation on NTPC's governing bodies.

Together, these findings reveal enduring concerns about NTPC's mandate clarity, governance independence, social responsibility, and the need for balance between commercial discipline, public accountability, and the long-term energy needs of the NWT.

PUBLIC ENGAGEMENT

Over the course of the review, Committee held nine (9) briefings with a range of stakeholders, including presentations from the Minister Responsible for the NTPC, northern utility operators, governance specialists, academic experts in energy policy, and representatives from Alaska's utility sector. These sessions provided diverse perspectives on utility governance, northern energy challenges, and best practices on Crown corporation governance relevant to NTPC's future direction. The presentations are contained in Appendix A.

Public input and expert commentary were analyzed and grouped into five overarching themes, which informed Committee's study and the development of recommendations presented in this report:

1. Crown Corporation Governance Principles
2. NTPC Governance and Structure
3. Indigenous Partnerships and Energy Sovereignty
4. Public Confidence, Transparency, and Communication
5. Alternative Governance and Utility Models

Committee extends its sincere appreciation to all witnesses who contributed their time, expertise, and insight throughout this review.

CROWN CORPORATION GOVERNANCE PRINCIPLES

1. Governance reform in the broader energy decision-making framework

The GNWT acquired NTPC as a Crown Corporation on May 5, 1988, through purchase from the Government of Canada. The *Northwest Territories Power Corporation Act* establishes the utility as a Crown Agency and setting out its mandate as follows:

- generate, transform, transmit, distribute, deliver, sell and supply energy on a safe, economic, efficient and reliable basis;
- supply water and sewerage services;
- undertake programs to conserve energy
- ensure a continuous supply of energy adequate for the needs and future development of the Territories; and
- undertake any other activity authorized by the Executive Council.

NTPC's governance is shaped by legislation as well as direction from Cabinet and the responsible Minister. The Minister's 2025 letter directs the Board to join a GNWT-led governance review, produce transparent annual corporate plans, engage the public in major planning, consider an operational efficiency review, and work with communities and Indigenous governments to secure federal funding for renewable energy. Committee acknowledges that governance improvements are already underway and appreciates the opportunity to provide input and recommendations at a pivotal time.

Committee heard from witnesses that Crown corporations operate in a complex space between government and the private sector, balancing public policy objectives with commercial priorities. Expert testimony emphasized that effective governance is foundational to a Crown corporation's success, and that reforms must be situated within the broader energy decision-making system rather than applied in isolation.

Committee believes that the Crown corporation model remains appropriate for NTPC given its dual public policy and commercial objectives, but that governance reforms alone will not be sufficient to address the territory's energy challenges. Witnesses emphasized that effective Crown corporation governance requires timely and predictable policy direction from government and strong coordination across departments.

Based on this evidence, Committee makes the following recommendations:

Recommendation 1: Committee recommends that the Government of the Northwest Territories ensure any reforms to NTPC's governance are undertaken within a broader review of the territory's energy decision-making system. This approach will help ensure that governance changes address root causes rather than symptoms and reflect the interconnected nature of energy policy, regulation, and service delivery.

Recommendation 2: Committee recommends that the Government of the Northwest Territories provide NTPC with timely, clear, and predictable policy direction so NTPC can pursue its mandate effectively. Uncertainty or delays in government decision-making can undermine a utility's ability to plan, invest, and deliver services.

Recommendation 3: Committee recommends that the Government of the Northwest Territories ensure strong alignment and coordination between NTPC and relevant government departments and agencies. As energy policy increasingly intersects with economic development, labour force planning, and resource development, misalignment across government can impede NTPC's ability to fulfill its mandate and respond to challenges.

2. Accountability mechanisms

Effective accountability is central to the functioning of any Crown corporation. Experts emphasized that a corporation's enabling statute establishes its mandate and formal accountability relationships with government, central agencies, and legislative committees. The primary tools for ensuring accountability are structured reporting mechanisms such as annual reports, corporate plans, audits, legislative appearances, and government reviews, rather than the replacement of board members.

Witnesses also highlighted that a written memorandum of understanding can provide a predictable framework for aligning a Crown corporation's commercial and policy objectives, as demonstrated in Ontario and other jurisdictions.⁶ Consistent external governance standards and reporting requirements are essential for ensuring accountability across utilities of varying sizes and ownership structures.

Committee considers a formal memorandum of understanding essential to meeting a critical public transparency need by clearly defining and communicating the accountability relationships governing NTPC as a Crown corporation.

Committee therefore recommends:

Recommendation 4: The Standing Committee on Government Operations recommends that the Government of the Northwest Territories establish a formal memorandum of understanding with NTPC that clearly defines accountability expectations, including reporting requirements and the respective roles of the Minister, the board, and management. This memorandum should enhance transparency for the public and ensure NTPC's activities remain aligned with both commercial and policy objectives through consistent, structured accountability mechanisms.

3. Board Composition and Independence

Expert testimony emphasized that the composition and independence of a Crown corporation board are central to its effectiveness. Boards should reflect a diversity of skills, gender, Indigenous representation, regional perspectives, and industry expertise relevant to the corporation's mandate.

Experts emphasized that the roles of Chair and Chief Executive Officer (CEO) must remain separate, and a majority-independent board is a core feature of best-practice governance. The replacement of a public board with deputy ministers or senior public servants should be a temporary, last-resort measure, as government officials face inherent dual-role conflicts that make long-term service on a corporate board unsustainable. Research presented to the Committee also shows that boards dominated by political appointees tend to prioritize short-term political objectives over long-term commercial sustainability. Independent, professionally oriented boards are better positioned to support growth, reinvestment, and sound governance.

Committee notes that the Government's establishment of a hybrid NTPC Board represents a positive step forward that aligns with recognized Crown-corporation governance best practices.

Committee therefore recommends:

Recommendation 5: The Standing Committee on Government Operations recommends that the Government of the Northwest Territories ensures the NTPC board continue to follow best practices for commercial Crown corporations, with a majority of independent members possessing relevant industry expertise, selected through a rigorous, non-patronage screening process, and with clear separation between the roles of Chair and Chief Executive Officer.

Recommendation 6: The Standing Committee on Government Operations recommends that the Government of the Northwest Territories ensure that the evaluation framework for the NTPC board includes an assessment of whether board culture is oriented toward long-term commercial sustainability and reinvestment rather than short-term objectives.

4. Board Roles and Responsibilities

Experts emphasized that effective boards require a clear mandate, well-defined responsibilities, and a structured work plan to guide their activities throughout the year.

Committee believes that boards, not government as shareholder and not management, are solely responsible for governance, including strategic direction, performance and risk oversight, people management, policy, and resource allocation. Modern governance standards also require boards to integrate environmental, social, and governance considerations into their strategic decision-making. Examples from other jurisdictions, including Ontario Power Generation and Alaska's cooperative utilities, demonstrate the value of transparent mandates, clear role definitions, and ongoing board education.

A consistent theme across engagements was the importance of affirming the board's authority, particularly that it should be the board's responsibility to appoint and oversee the CEO, as a core element of independent and effective governance.

The *Northwest Territories Power Corporation Act* provides that the Minister appoints the president of the Corporation on the recommendation of the Board and further, that the Minister may appoint the chairperson or the president as CEO of the Corporation.⁷ Committee believes that clear and effective Crown corporation governance requires the Board to independently select and appoint a CEO.

Committee therefore recommends:

Recommendation 7: The Standing Committee on Government Operations recommends that the Government of the Northwest Territories make the accountability framework referenced in the letter of direction publicly available and include a clear board mandate and charter outlining the board's responsibilities, work plan, and reporting obligations to Government and the public. In line with Crown corporation governance standards, Government should also modernize the legislative framework to ensure that the NTPC board is responsible for both appointing and overseeing the Chief Executive Officer going forward.

NTPC GOVERNANCE AND STRUCTURE

5. Accountability and Shareholder Relationship

NTPC operates under multiple layers of oversight, including the Minister, the Public Utilities Board, the Office of the Auditor General, and various federal and territorial regulators. As the GNWT is NTPC's sole shareholder and NTPC's debt counts toward the government's \$1.8-billion debt cap, the corporation's capital and financial decisions have direct implications for the territory's fiscal position. This underscores the need for a

clear and more transparent approach to managing NTPC's financial relationship with Government.

Committee therefore recommends:

Recommendation 8: The Standing Committee on Government Operations recommends that the Government of the Northwest Territories develop a clear framework for managing NTPC's contribution to the territorial debt cap, ensuring that capital investment decisions are made transparently and with full consideration of their fiscal implications for the territory.

6. Hybrid Board Transition and Renewal

The GNWT has chosen to transition NTPC to a hybrid board model that combines a majority of independent directors with GNWT public servant directors. This approach is intended to introduce new skills and expertise while maintaining a direct link to the shareholder's interests. Committee believes that the transition to a hybrid board is timely and necessary.

However, the composition of the board does not change the underlying operational and financial challenges facing NTPC, and political direction must continue to flow through the Minister rather than originate from the board itself. This emphasizes the importance of ensuring that board members possess a strong understanding of the territory's energy landscape and that the board is supported by clear role boundaries, long-term strategic planning, and regular independent evaluations.

In 2024–2025, a long-term Strategic Plan was approved to guide NTPC for decades to come.⁸ Committee understands that this plan was originally developed in 2017–2018, under very different operating conditions and prior to the Priorities of the 20th Legislative Assembly and government's 2025 direction letter to the board.

Committee therefore recommends:

Recommendation 9: The Standing Committee on Government Operations recommends that the Government of the Northwest Territories direct the NTPC board to develop a new, long-term strategic vision for the corporation's energy future, with clear milestones and meaningful community engagement built into the process.

Recommendation 10: The Standing Committee on Government Operations recommends that the Government of the Northwest Territories ensure political direction to the NTPC board is clearly situated with the Minister and the Government of the Northwest Territories, and that the governance model explicitly defines the boundary between the board's responsibilities and the Government's role in setting policy direction.

7. Board Evaluation and Performance

Committee heard from Dr. David Brown, an expert in Crown corporation governance, that regular, formal evaluations of board performance are a core governance best practice, particularly when conducted by an independent third party and measured against the board's charter and peer benchmarks.⁹ Governance challenges in small jurisdictions can lead to pulling Crown corporations back inside government structures, even when the underlying issue may not be the model itself.

Examples from other sectors show that successful board renewal is possible when competency expectations and selection criteria are updated. Effective board members require ongoing professional development in governance, the machinery of government, and the technical and operational context of the utility sector.

Committee therefore recommends:

Recommendation 11: The Standing Committee on Government Operations recommends that the Government of the Northwest Territories require the newly appointed NTPC board to undergo independent evaluations assessed against the board's charter and the competency criteria used in its selection, with results reported to the Legislative Assembly. Evaluations should occur once per board term, approximately every three years, unless otherwise directed by the Minister.

8. NTPC Board Mandate and Corporate Purpose

Committee's review highlighted that NTPC continues to operate within a traditional, vertically integrated utility model at a time when the broader electricity sector is shifting toward greater customer choice and more modern organizational structures. Expert testimony underscored that many jurisdictions, such as Ontario, have separated generation, transmission, and distribution into distinct entities, with local distribution companies serving customer bases comparable in size to NTPC.

NTPC acknowledged that the traditional utility monopoly model is changing and utilities risk being left behind if they do not adapt.¹⁰ Committee emphasizes that meaningful reform requires not only updating NTPC's mandate but ensuring the corporation's internal culture is aligned with that mandate; without cultural alignment, structural or policy changes may not translate into improved performance or responsiveness.

Committee therefore recommends:

Recommendation 12: The Standing Committee on Government Operations recommends that the Government of the Northwest Territories direct the NTPC board to conduct an organizational culture review alongside any mandate reforms to ensure the corporation's culture aligns with its updated direction.

9. Role of NT Energy

NT Energy is the business-development arm of the NT Hydro group, responsible for advancing non-regulated, higher-risk projects such as Electric Vehicle charging, industrial outreach, and low-carbon energy initiatives. It operates outside PUB regulation to allow more flexibility and supports growth goals in NT Hydro's 20-Year Strategic Plan.

Committee heard that the public often confuses NT Energy's work with NTPC's, partly because NT Energy has limited public reporting. Its activities also overlap with the Department of Infrastructure's energy policy and planning functions, creating uncertainty about who leads on industrial engagement, long-term planning, and emerging technologies. Both NT Energy and the Department of Infrastructure work closely with communities, industry, and other governments, which can blur roles on major initiatives.

Limited public reporting and financial transparency for NT Energy obscure its responsibilities and accountability within the NT Hydro corporate structure, contributing to ongoing confusion about who does what in the territory's energy system. Recent structural changes, including the creation of a new Minister responsible for strategic energy infrastructure, add further complexity to an already busy energy governance landscape. Committee highlights the need for more established and transparent delineation of roles, and clear public communications.

Committee therefore recommends:

Recommendation 13: The Standing Committee on Government Operations recommends that the Government of the Northwest Territories clearly define and publicly communicate the distinct roles of NTPC and NT Energy within the NT Hydro corporate family, and how these overlap with the role of the Department of Infrastructure's Strategic Energy, Policy and Programs Division and its future energy policies.

10. Utility Collaboration

Committee heard that utilities in the NWT currently share overlapping functions in generation, transmission, distribution, and customer service, creating duplication and inefficiencies across the system. Evidence from witness testimony highlighted that other

jurisdictions have successfully consolidated fragmented utility structures. Ontario, for example, reduced roughly 300 distribution utilities in 1999 to 54 today, demonstrating that streamlining is both feasible and beneficial.

One potential model presented to the Committee would see NTPC concentrate on electricity generation while a utility provider assumes responsibility for transmission, distribution, and customer service, thereby reducing overlap and enabling economies of scale. Committee believes that, ultimately, a clearer governance framework is needed to assess these opportunities and guide future structural decisions.

Committee therefore recommends:

Recommendation 14: The Standing Committee on Government Operations recommends that the Government of the Northwest Territories direct NTPC to review its governance frameworks and decision-making processes to identify areas of overlap and duplication with other utilities in the NWT, and report findings to the Legislative Assembly.

INDIGENOUS PARTNERSHIPS AND ENERGY SOVEREIGNTY

11. Enhancing Indigenous and Community Partnerships in the Energy System

Committee heard that NAKA Power, an Indigenous-owned utility, plays an important role in advancing community participation in the energy economy through its work in generation, transmission, and distribution.

Witnesses emphasized that communities across the territory are increasingly pursuing their own energy projects, yet these proposals are often not assessed within the context of the broader system, such as transmission capacity, storage needs, or rate impacts. This highlights the need for a coordinated territorial plan. As a larger utility, NTPC can support this shift by partnering with communities rather than acting as gatekeepers, offering technical expertise and enabling equity partnerships that are becoming more common across Canada and Alaska.

Examples shared by presenters on Alaska's remote microgrids and Ontario's efforts to connect diesel-dependent northern communities demonstrate how collaboration, innovation, and integration can expand energy options and improve outcomes for northern and Indigenous communities.

Committee therefore recommends:

Recommendation 15: The Standing Committee on Government Operations recommends that the Government of the Northwest Territories develop a governance framework that enables NTPC and NT Energy to partner constructively with communities and Indigenous governments, providing technical expertise to help communities develop their own energy objectives and ensuring community-led energy projects can be integrated into the broader territorial energy system in a coordinated way.

12. Advancing Indigenous Energy Sovereignty

Committee heard that Indigenous energy sovereignty is rapidly advancing across Canada, with Indigenous ownership of generation, transmission, and distribution assets becoming a defining feature of modern energy systems. Witnesses highlighted landmark projects in multiple provinces and noted that Indigenous-owned local distribution companies already operate in northern Ontario. This national momentum reflects growing interest among Indigenous governments and communities in controlling their own energy futures, an interest supported by direct access to federal funding but constrained by outdated regulatory frameworks and capacity gaps.

Committee also heard that early, meaningful, and authentic engagement, including equity partnerships, is increasingly essential to successful energy decision-making. As most future energy projects in the NWT will occur on Indigenous traditional lands, the territory's energy system must evolve to reflect this reality and ensure that community-driven initiatives can be integrated reliably and coherently into the broader grid.

Committee therefore recommends:

Recommendation 16: The Standing Committee on Government Operations recommends that the Government of the Northwest Territories advance Indigenous reconciliation in the energy sector by removing regulatory barriers to Indigenous-owned and community-operated energy systems, investing in capacity building to support Indigenous communities seeking greater control over their energy futures, and directing NTPC and NT Energy to engage Indigenous governments and communities as genuine partners, including through equity partnerships on generation and transmission project.

PUBLIC CONFIDENCE, TRANSPARENCY AND COMMUNICATIONS

13. Strengthening Public Trust and Accountability

Committee understands that NTPC has begun shifting toward more open and collaborative communication with customers and Indigenous governments, including formal agreements to discuss long-term energy futures. Committee believes that this is

an important cultural and operational change in how the corporation engages the communities it serves.

Witnesses emphasized that authentic engagement is essential: consultation must meaningfully influence decisions. Public confidence in energy decision-making depends on people being informed citizens, reliable-energy consumers, and community members with a voice in local infrastructure. Dr. Monica Gattinger, Chair of the Positive Energy initiative at the University of Ottawa, shared that public confidence rests on three dimensions: people as citizens, consumers, and community members, and that reforms must address all three.

Examples from other jurisdictions show that when communities understand their energy systems and see their input reflected in outcomes, they are more willing to support difficult decisions, including rate increases. As expectations for transparency grow, Crown corporations must meet higher standards of public reporting and engagement to maintain trust and legitimacy.

Committee therefore recommends:

Recommendation 17: The Standing Committee on Government Operations recommends that the Government of the Northwest Territories establish minimum standards for public reporting and community engagement by NTPC, ensuring residents have timely access to clear information about the corporation's financial performance and strategic direction, that consultation processes are authentic, that local input is documented, and that communities receive feedback on how their input influenced decisions.

ALTERNATIVE GOVERNANCE AND UTILITY MODELS

14. Regulatory Policy Alignment and Reform

Committee believes that the *Public Utilities Act* is no longer aligned with the realities of the territory's energy transition as it treats innovation as an exception rather than a necessity. This limits NTPC's ability to pilot new technologies or manage transition-related risks at the pace required.

The Minister Responsible for the NTPC and expert witnesses noted that the Act's cost-causation framework can unintentionally penalize residents who adopt technologies, such as solar panels, that governments are actively encouraging. This results in contradictory signals and even safety risks when residents attempt unauthorized electrical modifications to avoid high upgrade costs.

Witnesses further emphasized that outdated regulatory frameworks limit utility innovation in areas like demand response and distributed energy resources, even as technological change accelerates. Examples from Alaska illustrate how net-metering and distributed energy policies vary widely depending on system size and cost structures, underscoring the need for a modernized, context-appropriate regulatory approach in the NWT.

Modernizing the *Public Utilities Act* is therefore essential to shift NTPC from a risk-averse posture to one where innovation is recognized, expected, and supported as part of utility operations, aligned with the territory's broader energy transition goals.

Committee therefore recommends:

Recommendation 18: The Standing Committee on Government Operations recommends that the Government of the Northwest Territories undertake a review of the *Public Utilities Act* to modernize its cost-causation framework and ensure it does not penalize residents who adopt technologies that government is actively encouraging. Further, that the Government of the Northwest Territories review policy direction, PUB guidelines and utility practice to ensure alignment with the territory's energy transition goals.

15. Cooperative Governance and Local Control

Committee learned that across northern regions, governments are reassessing how public energy institutions and Crown corporations can be structured to better reflect community priorities while remaining financially sustainable.

Alaska offers a compelling point of comparison: its electricity system is dominated by member-owned cooperatives and supported by a state energy authority that operates at arm's length from government, combining public oversight with operational flexibility. These models demonstrate how democratic governance, local ownership, and coordinated regional planning can coexist in a way that strengthens accountability and aligns energy decisions with the needs of remote communities.

Electric cooperatives in Alaska illustrate the depth of local control possible under alternative governance structures. Kodiak Electric's experience was particularly compelling: its elected board made economically grounded long-term decisions to transition to essentially 100% renewable energy, stabilizing rates for 15 years through a combination of federal loan guarantees and state grant funding. Member-elected boards set priorities, spending, and rates, and cooperatives operate outside traditional regulation, allowing communities to determine their own cost structures. The model has proven both scalable and durable, from the Alaska Village Electric Cooperative serving more than 50

communities under one structure, to community-owned powerhouses and microgrids across rural Alaska.

The Alaska Energy Authority further shows how a state-owned corporation with a skilled, independent board and flexible operating mandate can support infrastructure development while enabling utilities to retain ownership and autonomy.

Together, these examples highlight a governance landscape where not-for-profit utilities, cooperative principles, and arm's-length public institutions play central roles in delivering reliable, affordable power in challenging northern conditions.

Committee therefore recommends:

Recommendation 19: The Standing Committee on Government Operations recommends that the Government of the Northwest Territories examine cooperative and community-owned utility models as potential frameworks for increasing local control over energy systems in remote NWT communities.

16. Subsidy and Rate Support Programs

Alaska's long-standing approach to supporting energy affordability in remote communities offers a useful point of comparison for northern jurisdictions grappling with high electricity costs and limited economies of scale.

Alaska's Power Cost Equalization program, in place since 1983, provides predictable, structured support to residents in remote communities whose electricity rates are often several times higher than those in urban centres. Funded through a dedicated endowment (made possible through the Alaska Permanent Fund,¹¹ the state's sovereign wealth fund) and governed through a separation of regulatory and administrative responsibilities, the program directs power subsidization benefits to households rather than utilities themselves. Over time, its reporting requirements have strengthened utility accountability and operational standards across rural Alaska.

Complementing the Power Cost Equalization program, Alaska's Renewable Energy Fund demonstrates how a well-designed grant mechanism can drive long-term cost savings and attract significant outside investment.¹² By prioritizing projects based on cost effectiveness, technology, and location, and by limiting grant size to avoid subsidizing large private entities, the Fund has supported widespread deployment of renewable energy systems, reduced diesel consumption by more than 100 million gallons, and leveraged nearly \$300 million in additional funding. Together, Committee learned that these programs provide an example of how dedicated, stable funding tools can

meaningfully improve affordability, support community resilience, and advance energy transitions in remote regions.

Committee therefore recommends:

Recommendation 20: The Standing Committee on Government Operations recommends that the Government of the Northwest Territories examine how other jurisdictions, including Alaska, use dedicated funding mechanisms to support energy affordability in remote communities, and assess whether a similar self-sustaining model could be established in the NWT.

Recommendation 21: The Standing Committee on Government Operations recommends that the Government of the Northwest Territories review the structure and outcomes of Alaska's Renewable Energy Fund as a potential model for a dedicated NWT grant program to support renewable energy projects in remote communities, with a focus on cost savings, community benefit, and leveraging external investment.

17. Investment Models

Committee learned through the course of its study that municipal and publicly owned utilities across Canada are increasingly exploring new structures to diversify revenue, attract investment, and reduce pressure on ratepayers.

Presenters from the Ivey Business School highlighted that holding-company models can evolve beyond traditional electricity distribution to include unregulated business lines that generate significant value for shareholders. In several cases, including Oakville Enterprises Corporation,¹³ these diversified enterprises now earn the majority of their revenue outside the regulated utility while still maintaining public ownership and delivering stable dividends. Recent examples also show that private capital can be brought into publicly owned structures without full privatization, providing equity for expansion while preserving public control. The presenters noted this is particularly relevant to jurisdictions with existing holding company structures like NT Hydro.

Flexible utility structures, particularly holding companies, can support innovation, broaden revenue streams, and reduce reliance on electricity rates or government borrowing. These examples also highlight the potential for public utilities to participate in emerging energy and infrastructure markets in ways that strengthen financial sustainability and create long-term value for their owners.

Committee therefore recommends:

Recommendation 22: The Standing Committee on Government Operations recommends that the Government of the Northwest Territories examine whether the NT Hydro holding company structure is being used to its full potential, including whether it could attract private investment or develop unregulated affiliated businesses that generate value for the shareholder (GNWT) without increasing pressure on electricity rates or the territorial debt cap.

CONCLUSION

Reliable, affordable, and sustainable power is vital to the well-being of residents across the NWT. Committee's review of the Northwest Territories Power Corporation's governance and service delivery model confirms the urgent need for stronger governance, modernized operations, and a renewed commitment to transparency. It also underscores the importance of pursuing innovative opportunities that can meet the North's evolving energy needs.

This concludes the Standing Committee on Government Operations' Report on the Review of the Northwest Territories Power Corporation's Governance and Service Delivery Model.

Recommendation 23: The Standing Committee on Government Operations recommends that the Government of the Northwest Territories provide a response to the recommendations contained in this Report within 120 days.

ENDNOTES

¹ Northwest Territories Power Corporation, Corporate Structure (webpage), accessed May 2026. Available at: <https://www.ntpc.com/about-ntpc/corporate-structure>

² Government of the Northwest Territories, 2025 Direction Letter to NWT Power Corporation Board of Directors, TD 450-20(1), tabled February 5, 2026. Available at: <https://www.ntlegislativeassembly.ca/sites/default/files/tables-documents/2026-02/TD%20450-20%281%29%202025%20Direction%20Letter%20to%20NWT%20Power%20Corporation%20Board%20of%20Directors.pdf>

³ Northwest Territories Association of Communities, 2025 NWTAC New Resolutions, 2025. Available at: <https://nwtac.com/wp-content/uploads/2025/10/2025-NWTAC-New-Resolutions.pdf>

⁴ Northwest Territories Legislative Assembly Library, Koha Online Catalogue record for Abbott Report, accessed May 2026. Available at: https://lant.bywatersolutions.com/cgi-bin/koha/opac-detail.pl?biblionumber=4231&query_desc=kw%2Cwrdl%3A%20abbott%20report

⁵ Government of the Northwest Territories, Department of Infrastructure, Report of the NTPC Review Panel, 2010. Available at: https://www.inf.gov.nt.ca/sites/inf/files/resources/ntpc_panel_review_2009.pdf

⁶ Government of Ontario, Ministry of Energy and Mines, *Memorandum of Understanding Between the Minister of Energy and Mines and the Chair of the Ontario Energy Board*, 2025. Available at: <https://www.oeb.ca/sites/default/files/FINAL%20-%20MEM-OEB%20MOU%202025.pdf>

⁷ Government of the Northwest Territories, *Northwest Territories Power Corporation Act*, s. 12.1(1). Available at: <https://www.justice.gov.nt.ca/en/files/legislation/nwt-power-corporation/nwt-power-corporation.a.pdf>

⁸ Northwest Territories Power Corporation, NTPC Strategic Plan (January 2025). Available at: <https://www.ntpc.com/sites/default/files/2025-04/NTPC%20Strategic%20Plan%20--%20print%20final%20%28January%202025%29.pdf>

⁹ Standing Committee on Government Operations, Public Briefing with Dr. David Brown, Governance Solutions, Yellowknife, NT, [April 28, 2025]. Available at <https://www.youtube.com/watch?v=pDQvHcftt4s&list=PLZiv8ITEMg4fTNmF1zA96bckdduh2UTic&index=21>

¹⁰ Standing Committee on Government Operations, Public Briefing with the Honourable Caroline Wawzonek, Minister Responsible for the Northwest Territories Power Corporation, and Cory Strang, CEO, NTPC, Yellowknife, NT, [June 10, 2024]. Available at: <https://www.youtube.com/live/aLLw957Kpr4?t=443s>

¹¹ Alaska Permanent Fund Corporation, The Fund (webpage), accessed May 2026. Available at: <https://apfc.org/the-fund/>

¹² Alaska Energy Authority, *Renewable Energy Fund* (program webpage), accessed May 2026. Available at: <https://www.akenergyauthority.org/What-We-Do/Grants-Loans/Renewable-Energy-Fund>

¹³ Town of Oakville, OEC, Oakville and Enbridge Enter Strategic Partnership (news release), 2022. Available at: <https://www.oakville.ca/town-hall/news-notices/2022-news-releases-archive/oec-oakville-and-enbridge-enter-strategic-partnership/>

Appendix A:

Presentations

NTPC: An Overview

Alternative Energy and Governance

Presentation to the Standing Committee on
Government Operations

June 10, 2024

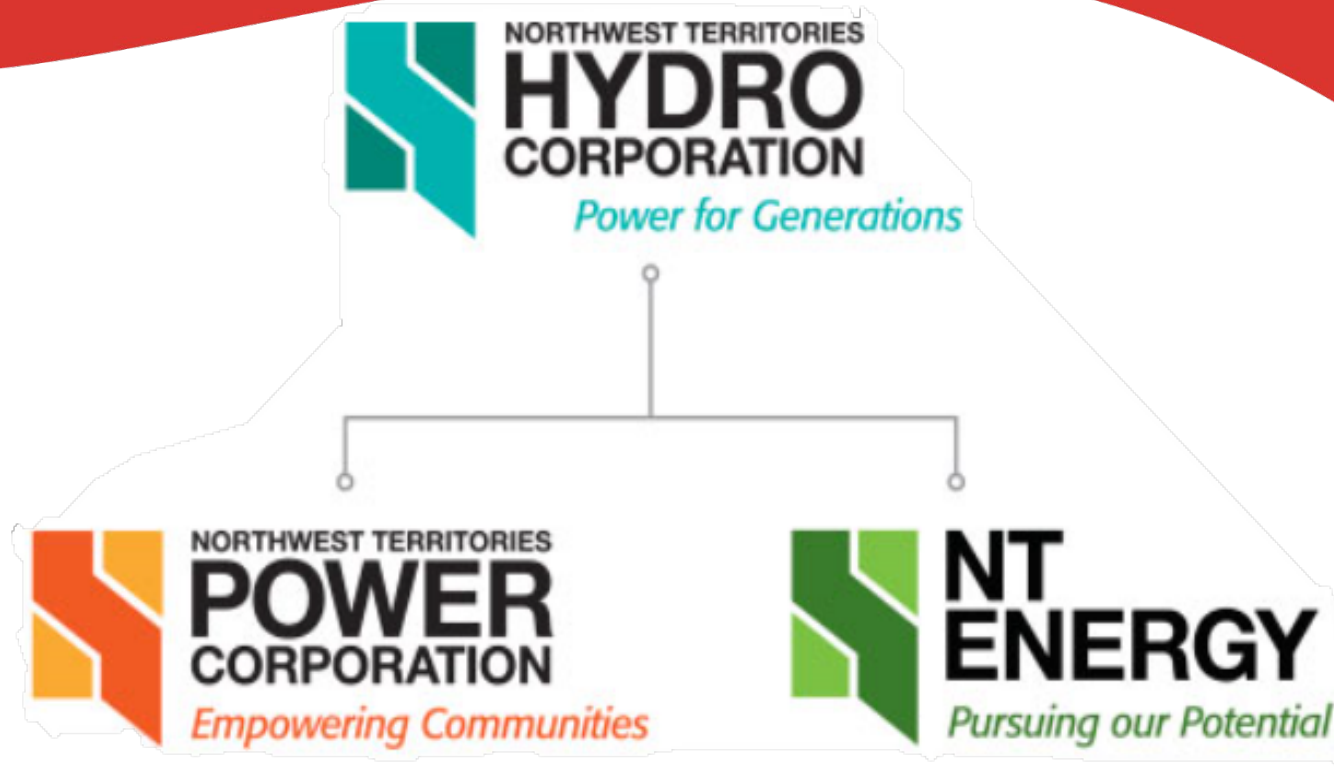


Agenda

1. Overview
2. Challenges
3. Opportunities
4. Governance

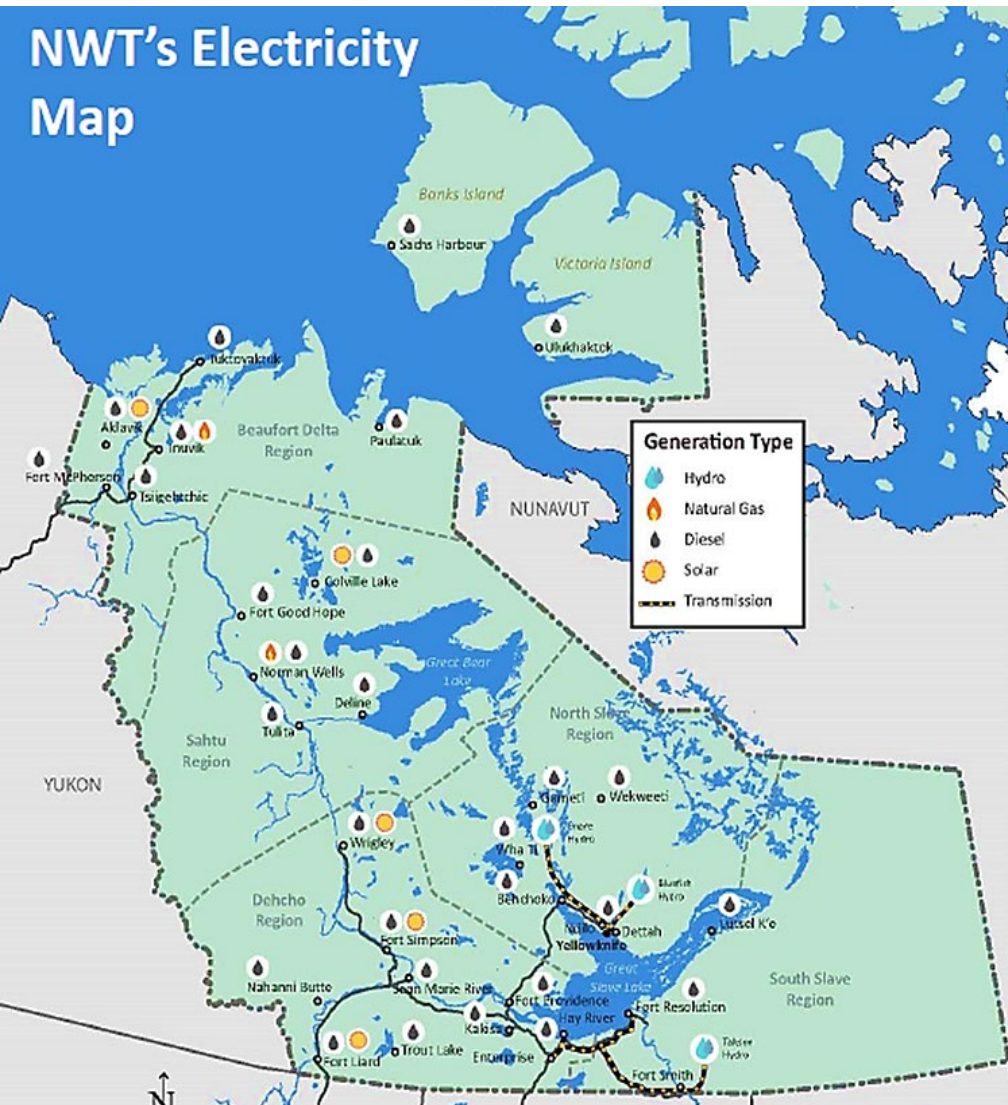


Before and after pictures of vegetation management on Taltson transmission line



- Generates, transmits and distributes electric power
- Regulated by the PUB
- Similar to BC Hydro, Manitoba Hydro, Yukon Energy
- Development agency for non-core utility infrastructure
- Business development
- Undertake integrated resource planning

Overview

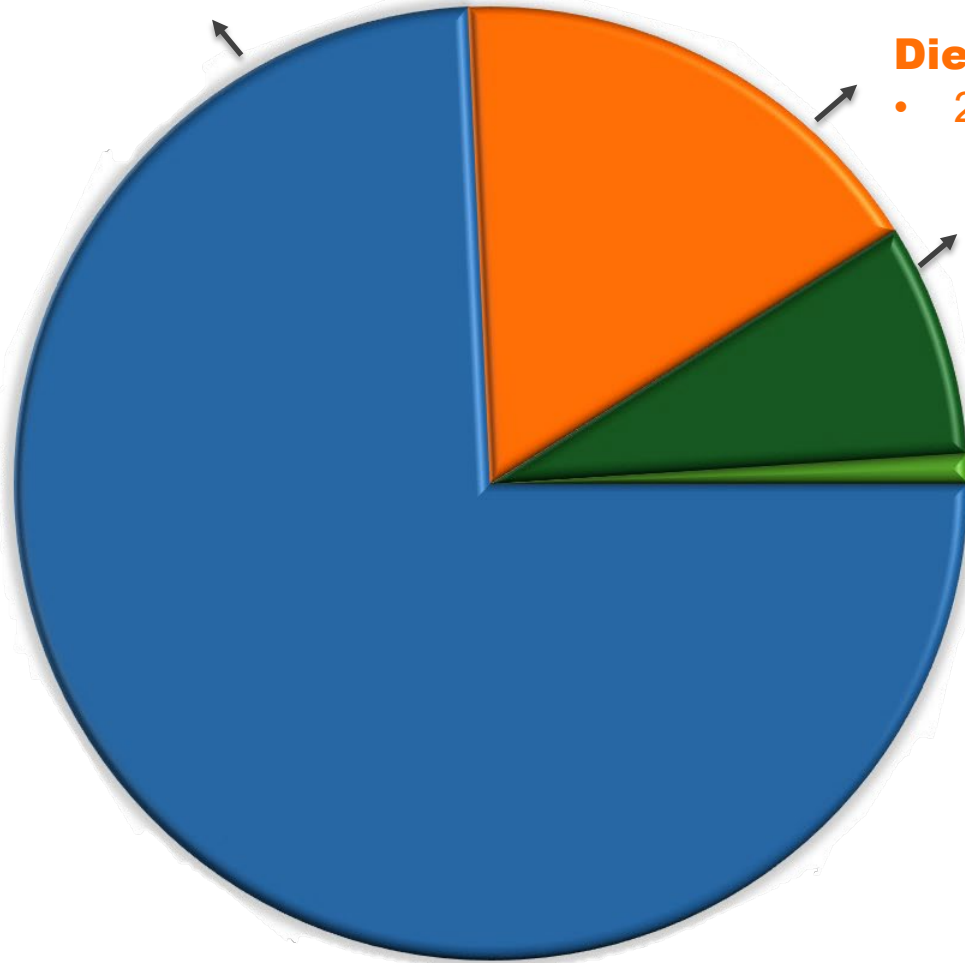


- **NTPC is an isolated, non-integrated system**
 - **Not connected to the continental grid**
 - **2 hydro grids that are not connected to each other**
 - **26 independent communities powered primarily by diesel**

Power Generation

Hydro, 75%

- 9 Hydro Plants on 2 systems
 - All have backup diesel to ensure reliability



Diesel, 17%

- 25 Diesel Plants, including backup

Natural Gas and Purchased Power, 8%

- 1 LNG Plant in Inuvik
- NW Purchased Power

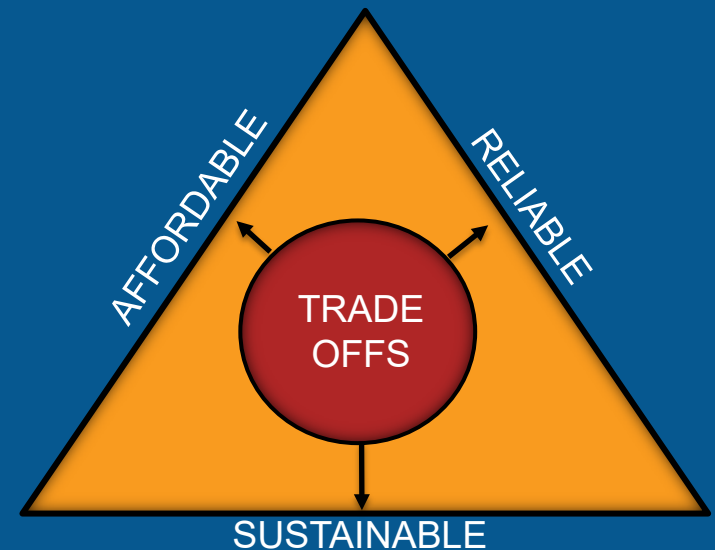
Alternative or Renewable, <1%

- 1 Wind Turbine
- 5 Solar Arrays

- Approximately 300 GWH of sales
- 2 isolated systems with battery energy storage and microgrid controller
- 565 km of transmission
- 375 km of distribution infrastructure

Challenges

1. Extreme Low Water
2. High Fuel Prices
3. Ongoing Challenges
 - Inflation / Flat Sales



Alexandra Falls, Hay River Aug 2023



Extreme Low Water

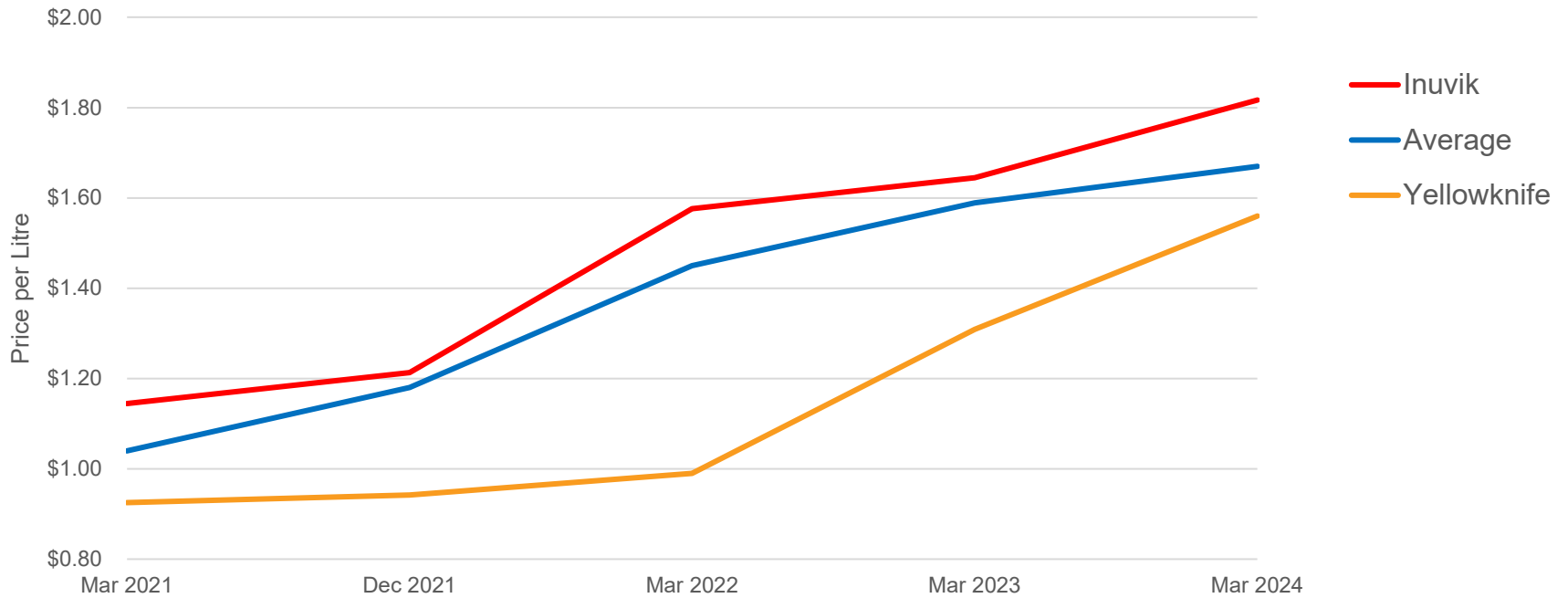
- Under normal conditions NTPC consumes approximately 19 million litres of diesel fuel in a year
- In 2023-24 with low water conditions, NTPC consumed approximately 45 million litres
- In a normal year, approximately 98% of power in Yellowknife and surrounding communities is supplied by the Snare and Bluefish hydro systems

Snare Rapids Headgate

Normal water levels are shown in the **red line** which is 729 feet above sea level. Levels in summer 2023 were 718 feet – *11 feet lower than a normal year.*

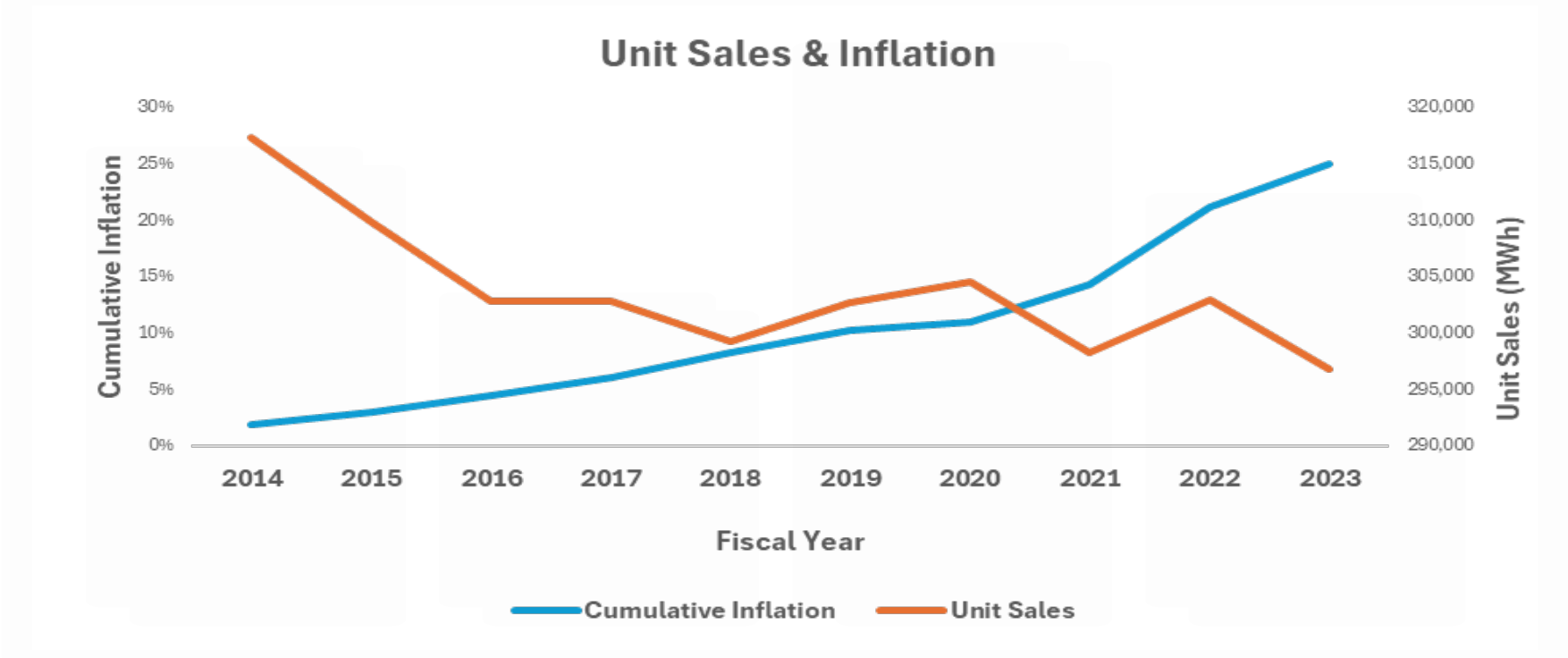
High Fuel Prices

Diesel Price



- Diesel price increased 30-60% since Dec 2021
- Diesel fuel used for electricity generation is exempt from the carbon tax

Inflation / Flat Sales



- Electricity sales are flat or declining – mirror NWT population and economic trends
- Lack of sales growth to keep up with rising costs = higher rates

Opportunities

1. Progress to Date
2. Future / Underway



Inuvik Wind and
Solar Panels

Progress to Date

Strategic Planning

1. Reducing Fuel Consumption

- Increased Liquid Natural Gas Capacity
- Summer Fuels
- New Fuel-Efficient Diesel Generators

2. Invest in Core Assets

- Hydro Overhauls
- High-Efficient Diesel Plants
- Distribution Upgrades

3. Renewables in the North

- Inuvik Wind
- Solar
- Battery Energy Storage Systems
- Microgrid Controllers



Sachs Harbour Power Plant Oct 2022

Future / Underway



Update of the Snare Zone Resiliency Study



Distribution Upgrades



NT Energy pursuing business opportunities and engaging with industrial sectors



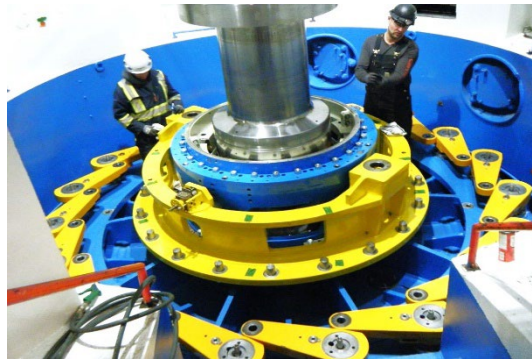
Planning, Partnerships and Growth



Funding Opportunities



Support for GNWT-funded projects such as Taltson Hydro Expansion and Grid connections



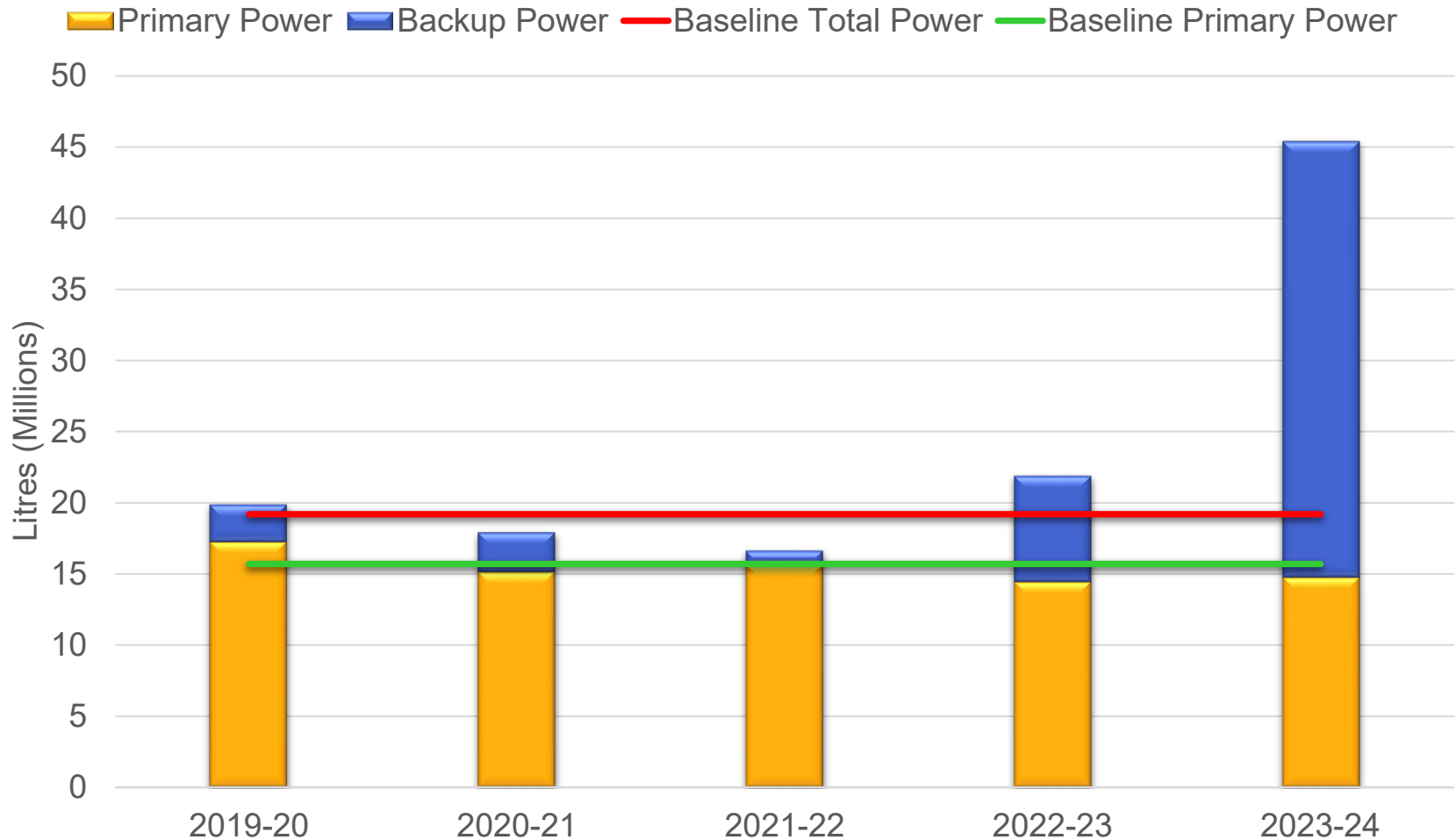
Turbine guide bearing support and wicket gate operating ring installed (October 19, 2023)



Flo EV Charging Station

Measuring Results

Diesel Fuel Consumption



Multiple Layers of Oversight

- Minister Responsible
- Legislative Assembly / Cabinet
- NWT Public Utilities Board
- Office of the Auditor General of Canada
- Other Federal/Territorial Regulatory Agencies
- Board of Directors

Future Board Composition

Hybrid Model:

- **Independents:** introduce external skills, expertise and ideas
- **Officials:** represent Shareholder's interests



Thank you





STANDING COMMITTEE ON GOVERNMENT OPERATIONS

Darrell Beaulieu & Jay Massie

December 3, 2024





PURPOSE

We are here to share our unique perspective on the state of energy in the NWT.

We see ourselves as a key player in helping the NWT achieve its ambitious goals.

We will propose solutions to help foster a collaborative environment focused on **economic development, Indigenous ownership, and the future of energy in the NWT.**

OUR COMPANY

Operating in NWT for **70 YEARS**

Award-winning partnership for almost **40 YEARS**

One of Canada's **FIRST** Indigenous-owned electric utilities

One of the largest private investors in NWT infrastructure
(forecast **\$34MM** from 2023-2027)

28 employees in NWT with **11,700** customers

REGULATED by the NWT Public Utilities Board

GENERATES, TRANSMITS, and **DISTRIBUTES** electricity

Mandate for **SAFE, RELIABLE,** and **AFFORDABLE** service



DII: WHAT OWNERSHIP MEANS FOR OUR COMMUNITIES

- ✓ Indigenous peoples make up more than 50% of NWT population
- ✓ We want to continue to participate in growing the NWT energy economy and creating economic opportunities for our communities
- ✓ Our partnership is celebrated in Canada and has demonstrated leadership for other Indigenous entrants into the utility economy
- ✓ We invest- and reinvest- capital into the power system to benefit the NWT
- ✓ We are proud of the achievements we've made with Naka in delivering electric service in the NWT



BENEFITS OF NAKA

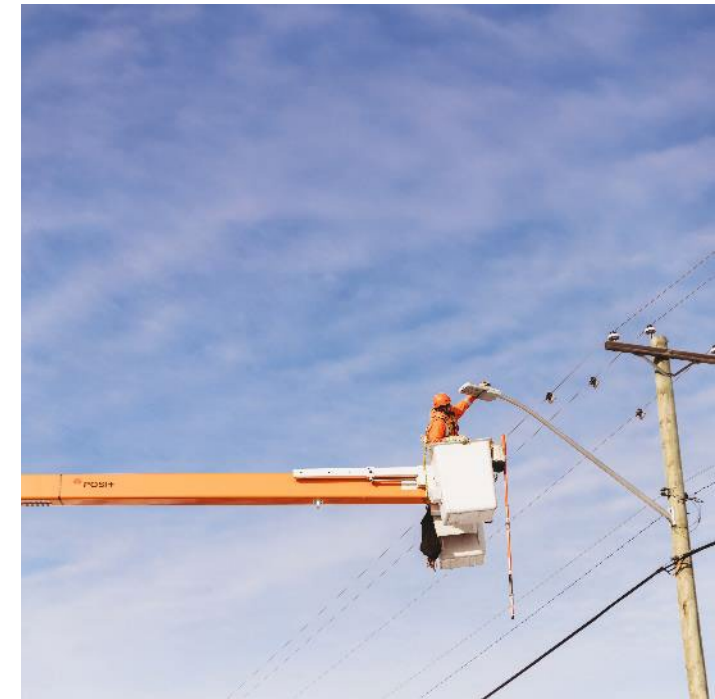
- ✓ Local employees that remain accountable and contribute to local economy
- ✓ Access to economies of scale, supply chains, and materials
- ✓ Support from affiliate utilities for unique solutions and emergency response
- ✓ Access to capital which can reduce pressure on debt cap and free up government resources for other priorities – we bring new investment and we re-invest into the NWT
- ✓ Transparent costs that are scrutinized and approved by the NWT Public Utilities Board
- ✓ Local Indigenous ownership through DII

NWT ENERGY LANDSCAPE



NWT ENERGY LANDSCAPE

- ✓ Immense geography, low population, extreme weather, and isolation
- ✓ 27 isolated grids that rely on diesel generation
- ✓ Hydro grids have low water and diesel to replace is expensive: on utility costs and the environment
- ✓ Policy and financial support disproportionately directed to benefit NTPC customers. Financial support to customers needs to be equal for both NTPC and Naka
- ✓ NWT debt ceiling is under pressure, NTPC is a substantial debt holder
- ✓ Utility costs to operate in this environment are increasing, and with low population and industry growth, revenue is decreasing

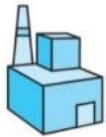


ENERGY LANDSCAPE - YELLOWKNIFE

Hydro Generation



Thermal Generation



Transmission



Distribution



General Operation Costs



NTPC



NTPC



NTPC

Naka



Naka



Naka costs

NTPC



NTPC



NTPC

Naka



Naka



Naka costs

NTPC



NTPC



NTPC

Naka



Naka



Naka costs

NTPC



NTPC



NTPC

Naka



Naka



Naka costs

NTPC



NTPC



NTPC

Naka



Naka



Naka costs

NTPC



NTPC



NTPC

Naka



Naka



Naka costs

NTPC



NTPC



NTPC

Naka



Naka



Naka costs

NTPC



NTPC



NTPC

Naka



Naka



Naka costs

NTPC



NTPC



NTPC

Naka



Naka



Naka costs

NTPC



NTPC



NTPC

Naka



Naka



Naka costs

NTPC



NTPC



NTPC

Naka



Naka



Naka costs

NTPC



NTPC



NTPC

Naka



Naka



Naka costs

NTPC



NTPC



NTPC

Naka



Naka



Naka costs

NTPC



NTPC



NTPC

Naka



Naka



Naka costs

NTPC



NTPC



NTPC

Naka



Naka



Naka costs

NTPC



NTPC



NTPC

Naka



Naka



Naka costs

NTPC



NTPC



NTPC

Naka



Naka



Naka costs

NTPC



NTPC



NTPC

Naka



Naka



Naka costs

NTPC



NTPC



NTPC

Naka



Naka



Naka costs

NTPC



NTPC



NTPC

Naka



Naka



Naka costs

NTPC



NTPC



NTPC

Naka



Naka



Naka costs

NTPC



NTPC



NTPC

Naka



Naka



Naka costs

NTPC



NTPC



NTPC

Naka



Naka



Naka costs

NTPC



NTPC



NTPC

Naka



Naka



Naka costs

NTPC



NTPC



NTPC

Naka



Naka



Naka costs

NTPC



NTPC



NTPC

Naka



Naka



Naka costs

NTPC



NTPC



NTPC

Naka



Naka



Naka costs

NTPC



NTPC



NTPC

Naka



Naka



Naka costs

NTPC



NTPC



NTPC

Naka



Naka



Naka costs

NTPC



NTPC



NTPC

Naka



Naka



Naka costs

NTPC



NTPC



NTPC

Naka



NWT ENERGY SECTOR TIMELINE

2001: Robertson Report Commissioned by GNWT

Recommendations include:

- ✓ Grandfather Naka's franchises for 20 years
- ✓ Simplify regulatory process, oversight requires staff with specific and utility expertise
- ✓ Simplify rate structures to 2-zone system
- ✓ End NTPC debt guarantees

2010: Creating a Brighter Future

Recommendations include:

- ✓ Naka will retain the right to their existing franchises
- ✓ NWT would benefit from "territory-wide system that maximizes economies of scale"
- ✓ Created 7-zone rate system
- ✓ Created head office energy allocator
- ✓ Fuel riders recovered on per utility basis

2015: Hay River Franchise & 18th Legislative Assembly

- ✓ Hay River announces Franchise RFP
- ✓ Internal 18th Assembly documentation supports strategy of NTPC bidding for Franchise, GNWT support for NTPC, and Naka's lost economies of scale
- ✓ Naka notes clear lack of economic rationale, and unnecessarily removes locally-owned, successful Indigenous business

2023: Wildfires & Regulatory applications

- ✓ Naka rebuilds Enterprise in timely fashion, supports Yellowknife evacuation, earns commendation from JTFN
- ✓ Hay River asset transfer proves considerable regulatory complexity, PUB rules customers of either utility must not suffer undue harm

Today

- ✓ Energy transition, grid modernization, & Net Zero commitments significantly increase grid complexity
- ✓ Defending franchises distracts from productive aims
- ✓ Extended droughts and project overruns result in excess costs for NWT
- ✓ Indigenous participation is increasingly important

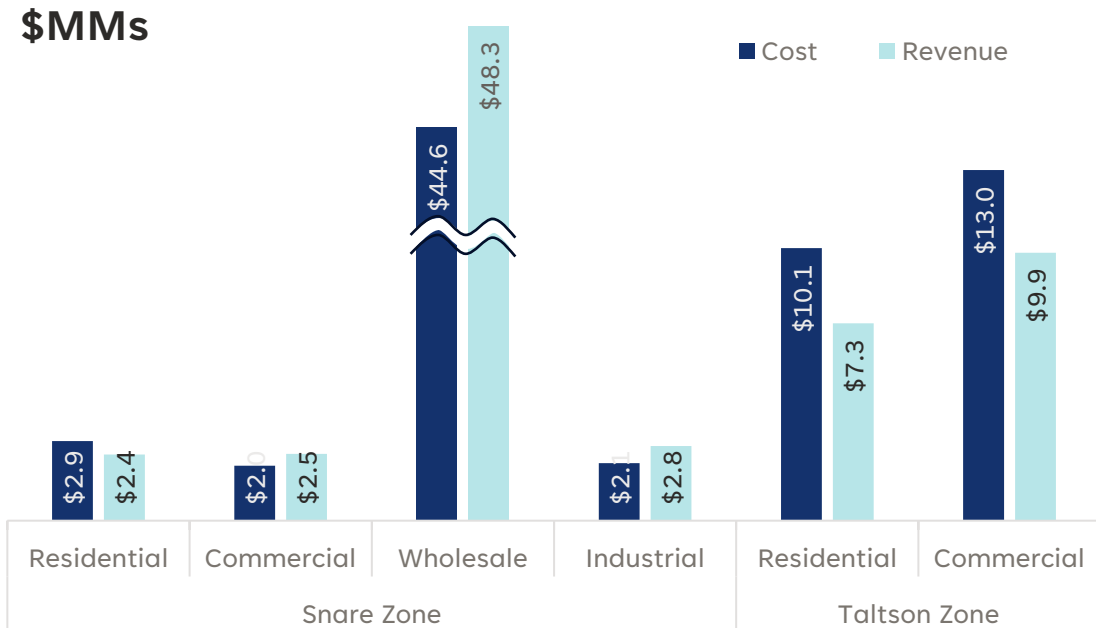
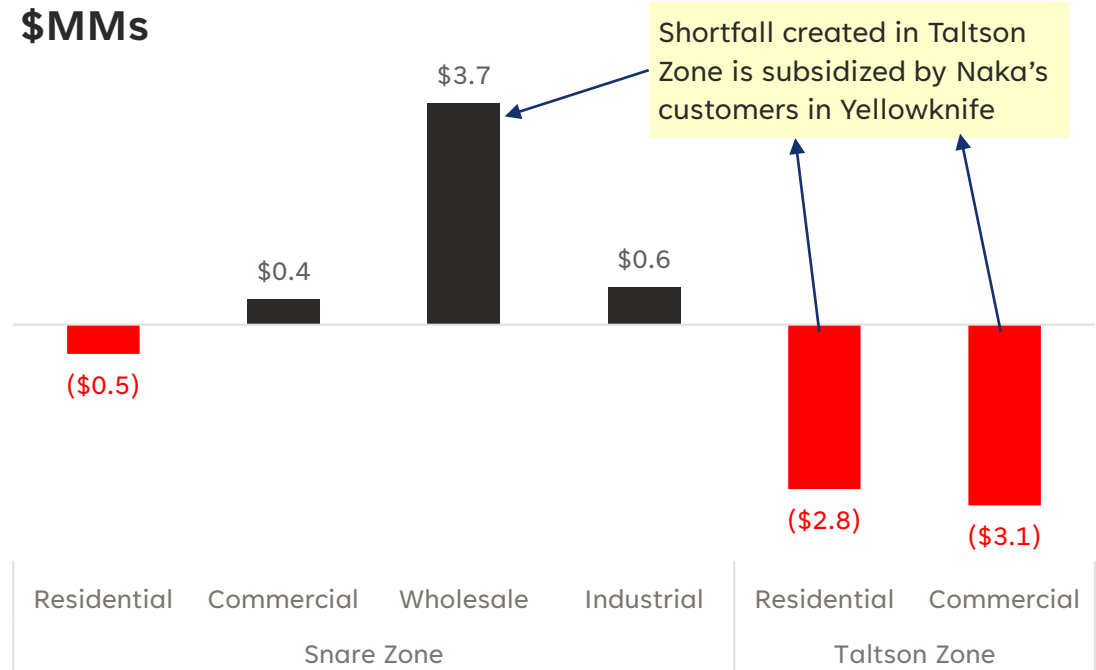
UTILITY RATES – COST RECOVERY

- ✓ Utilities need to recover their costs to provide service to remain sustainable
- ✓ NTPC's proposed Taltson retail rates recover ~**76%** of costs, resulting in an unsustainable, material shortfall (\$5.7MM) every year
- ✓ Naka's rates are typically designed to recover 100% of Naka's costs – *customers pay Naka's actual cost*



NTPC Rates

- ✓ NTPC Taltson retail rates are designed to only recover **75.6%** of NTPC’s costs – **this is called Revenue to Cost Coverage (RCC)**
- ✓ NTPC promised these rates to Hay River and won the franchise
- ✓ Material shortfall from NTPC’s Taltson Rates has ongoing subsidy of \$3.7MM from Naka’s Yellowknife customers, **where NTPC has proposed 108.4% RCC**
- ✓ Expanding NTPC’s Taltson rates to Hay River will increase NTPC’s revenue shortfall – there is no documented plan to address this inequity



RESIDENTIAL BILL COMPARISON – 600KWH

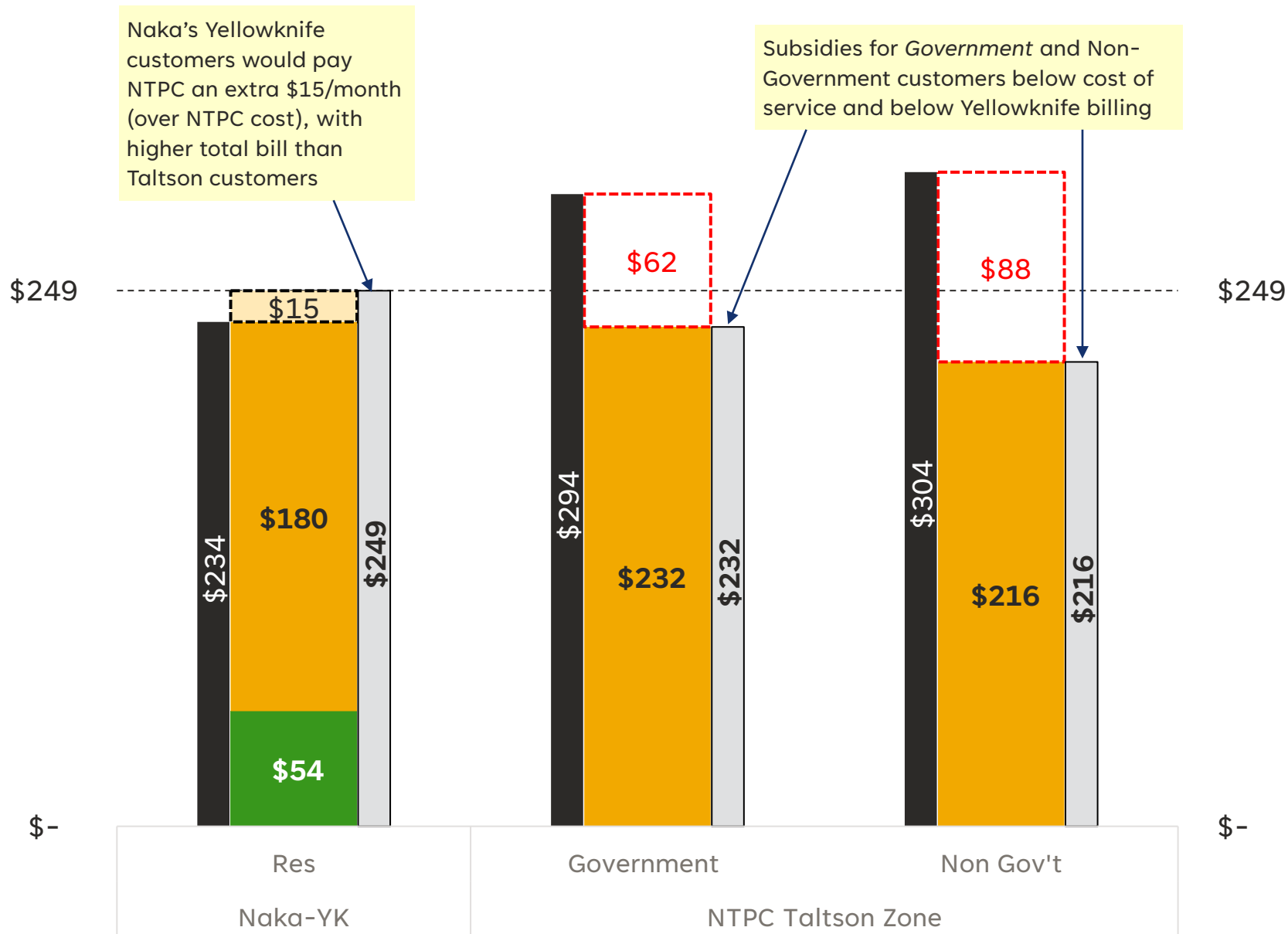
■ Naka Revenue ■ NTPC Revenue ■ Total Cost □ Total Bill

① Naka's Yellowknife customers would overpay NTPC costs by \$15 per month or ~\$180 per year, based on 108.4% RCC

② NTPC Taltson customers will receive significant subsidies, and pay lower bills than Yellowknife

③ Typically, Government RCCs are greater than 100%. However, even NTPC *Government* customers receive significant subsidies AND pay lower bills than Yellowknife.

④ Some NTPC customers in Taltson zone will receive over \$1,000 discount over the course of the year



COST PRESSURES

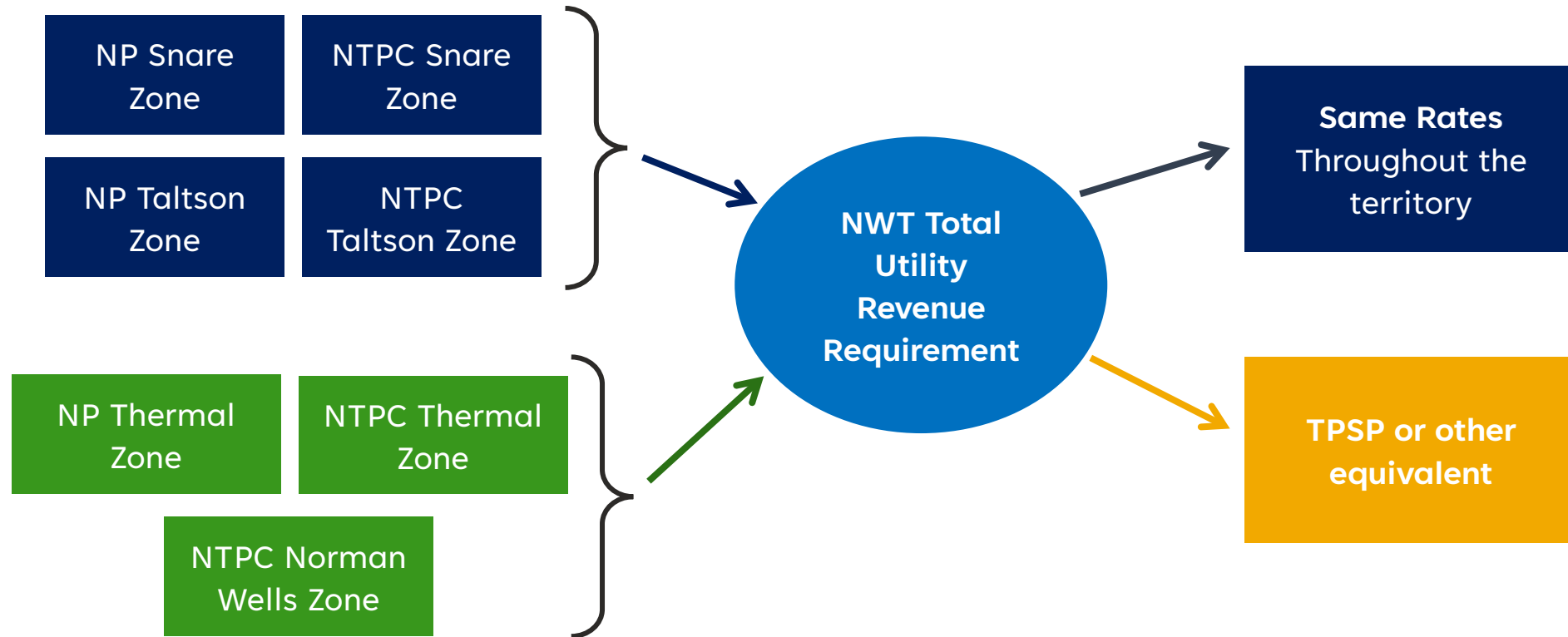


- ✓ The utility sector is experiencing significant cost pressures due to ongoing replacement and upgrading of electrical infrastructure to maintain the grids.
- ✓ The energy transition will require significant investments across the NWT
- ✓ Low population and industry growth results in low revenue growth
- ✓ Costs for utility operations and service is increasing while revenue is flat
- ✓ Hay River franchise transition was unnecessary and added unproductive expense to both utilities
- ✓ Promised electrical rates that do not recover costs to operate and apportioned costs to Naka's Yellowknife customers are not justifiable
- ✓ NTPC estimated cost to purchase Hay River is \$26 million (to Jan 1, 2025)



SOLUTIONS

SOLUTION: SIMPLIFY RATE ZONES



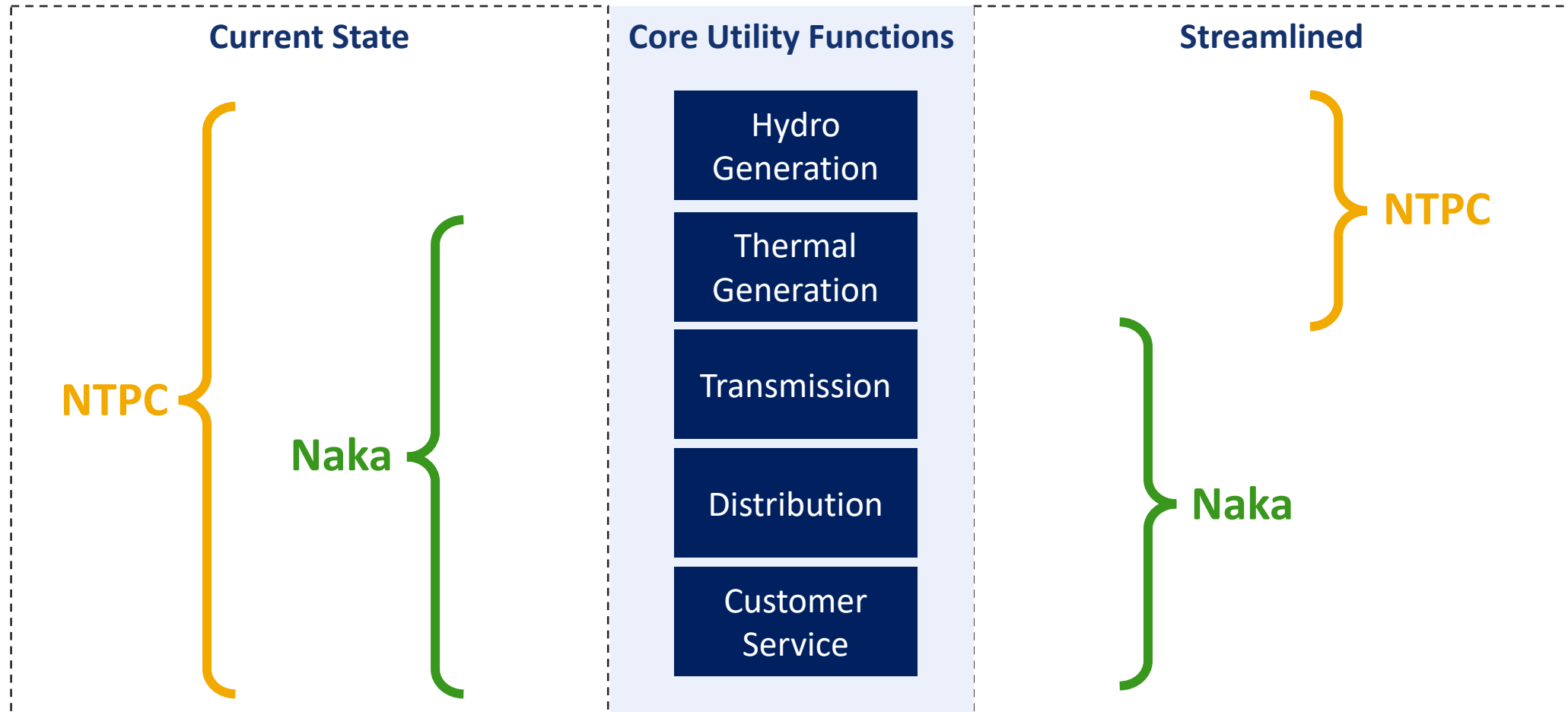
SOLUTION: SIMPLIFY RATE ZONES – TERRITORY-WIDE RATES

“THERE IS NO OTHER AREA OF THE COUNTRY THAT USES COMMUNITY-BASED RATES. JURISDICTIONS LIKE MANITOBA AND QUEBEC, WHICH ALSO HAVE A NUMBER OF SMALL REMOTE DIESEL LOCATIONS USE POSTAGE STAMP RATES.” – ROBERTSON REPORT, 2001

BENEFITS:

- ✓ Ensures all customers have fair and equitable rates, regardless of utility provider
- ✓ The goal of TPSP is for all customers to pay the same as Yellowknife, not less
- ✓ Distributes benefits of legacy hydro assets to all citizens
- ✓ Reduces administrative & regulatory complexity and costs
- ✓ Promotes rate and revenue stability
- ✓ Reduces NWT costs
- ✓ Promotes inter-utility collaboration
- ✓ Positions NWT for energy transition

SOLUTION: STREAMLINE UTILITY FUNCTIONS



SOLUTION: CREATE CERTAINTY AROUND NAKA'S FRANCHISES

BENEFITS:

- ✓ Respects long-standing Indigenous investment in NWT electricity sector
- ✓ Reduces significant costs associated with pursuing and defending franchises
- ✓ Increases stability for long-term planning
- ✓ Consistent with previous GNWT reports and policy
- ✓ Reduces distractions, promotes focus on existing utility issues
- ✓ Reduces energy costs in NWT
- ✓ Consistent with other jurisdictions



REQUEST

Embrace Naka as a valuable partner in the NWT and create certainty around Naka's franchises.

Pause Rate Design component of regulatory proceedings to work together on NWT Territory-wide rate design.

Explore potential efficiency improvements and streamline functions between NTPC and Naka.

Let's work together to tackle the challenges NWT is facing.



MAHSI CHO THANK YOU

nakapower.com

481 Range Lake Road
Yellowknife NT Canada X1A 3R9

1-66 Woodland Drive
Hay River NT Canada X0E 1G1



APPENDIX - Table 1.1 from NTPC 2024-2026 General Rate Application

Revenues by Zone			2025-26 COS Results (\$000)	Revenues at Proposed Rates (\$000)	RCC	Increase over existing %	Increase over interim %	
Government and Non-Government								
Non-Government Retail	Snare zone	Residential	\$ 2,119	\$ 1,736	82%	24%	23%	
		General Service	\$ 689	\$ 723	105%	24%	23%	
		Total	\$ 2,808	\$ 2,459	88%	24%	23%	
	Taltson zone	Residential	\$ 8,456	\$ 6,020	71%	24%	23%	
		General Service	\$ 5,121	\$ 3,662	72%	24%	23%	
		Total	\$ 13,577	\$ 9,682	71%	24%	23%	
	Thermal zone	Residential	\$ 23,060	\$ 19,059	83%	24%	11%	
		General Service	\$ 19,438	\$ 15,312	79%	24%	11%	
		Total	\$ 42,498	\$ 34,372	81%	24%	11%	
	Total		\$ 58,883	\$ 46,512	79%	24%	14%	
	Government Retail	Snare zone	Residential	\$ 823	\$ 712	87%	24%	23%
			General Service	\$ 1,346	\$ 1,748	130%	22%	22%
Streetlights			\$ 67	\$ 87	130%	95%	84%	
Total			\$ 2,236	\$ 2,548	114%	24%	24%	
Taltson zone		Residential	\$ 1,633	\$ 1,284	79%	24%	23%	
		General Service	\$ 7,854	\$ 6,253	80%	24%	23%	
		Streetlights	\$ 394	\$ 513	130%	195%	176%	
		Total	\$ 9,881	\$ 8,050	81%	29%	28%	
Thermal zone		Residential	\$ 8,734	\$ 11,357	130%	22%	9%	
		General Service	\$ 23,643	\$ 30,538	129%	24%	11%	
		Streetlights	\$ 585	\$ 761	130%	39%	17%	
		Total	\$ 32,962	\$ 42,656	129%	24%	10%	
Total		\$ 45,079	\$ 53,253	118%	25%	13%		
Industrial		Industrial						
		Government Industrial		\$ 2,762			64%	
	Total		\$ 2,125	\$ 2,762	130%	65%	64%	
Wholesale	Naka (YK)	Total	\$ 44,568	\$ 48,313	108%	24%	23%	
		Hydro Only						
		Hydro w/Thermal Back-up		\$ 563				
	Naka (NWT)	Total	\$ 749	\$ 563	75%	24%	23%	
Total		\$ 45,317	\$ 48,876	108%	23%	23%		
Total Snare			\$ 51,737	\$ 56,082	108%	26%	25%	
Total Taltson			\$ 24,206	\$ 18,295	76%	26%	25%	
Total Thermal			\$ 75,460	\$ 77,027	102%	24%	10%	
Total NTPC			\$ 151,404	\$ 151,404	100%	25%	17%	

The background of the slide features a blurred image of several wind turbines against a light blue sky. The turbines are positioned in the lower right and middle right areas of the frame, with their blades extending towards the left. The overall aesthetic is clean and modern, emphasizing renewable energy.

Transformative electricity sector change and social justice.

Public Briefing on the Committee study of Northwest Territories Power Corporation governance

Presentation to the Standing Committee on Government Operations
Northwest Territories Legislative Assembly

Dr. Christina E. Hoicka

Canada Research Chair in Urban Planning for Climate Change

Associate Professor in Geography and Civil Engineering, University of Victoria, British Columbia, Canada

Principal Investigator of the Re-Imagining Social Energy Transitions CoLaboratory (ReSET CoLab)

Re-imagining Social Energy Transitions (ReSET) Colaboratory contributing Researchers



**Sarah Chitsaz, PhD Student in
Geography**



**Megan Macdonald, Masters
Student in Geography**



**Kayla Klym, Past Lab
Coordinator**



**Nic Jekill, Masters Student in
Geography**



**Adam Regier, Masters Student
in Geography**



**Maya Willard-Stepan,
Masters Student in Geography**

Outline

- Place-based approaches to electricity sector change
- Knowledge and knowledge gaps to scale independent power production, social acceptance, and community energy sector
- Intermediaries as pathways to change
- Opportunities for electricity sector transformation

Place-based approaches to electricity sector change

Place-based approaches to electricity sector change


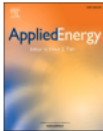

- Place is a “meaningful location” – the material setting for social relations – the actual shape of place within which people conduct their lives. places have a relationship to humans and the human capacity to produce and consume meaning, “place attachment”
- Place-based strategies to energy transitions address local assets, actors, space, labour, localized knowledge, or justice issues
- Place-based at scale approaches to renewable energy landscapes create local value, incorporate multifunctionality and decentralisation, mitigate harm for ecosystems, address justice and local resilience.

Applied Energy 377 (2025) 124559

Contents lists available at ScienceDirect

Applied Energy

journal homepage: www.elsevier.com/locate/apenergy



Insights to accelerate place-based at scale renewable energy landscapes: An analytical framework to typify the emergence of renewable energy clusters along the energy value chain

Christina E. Hoicka^{a,*}, Marcello Graziano^b, Maya Willard-Stepan^c, Yuxu Zhao^d

^a University of Victoria, McGill University, Canada
^b RURALIS Institute for Rural and Regional Research, Norway
^c University of Victoria, Canada
^d York University, Canada

HIGHLIGHTS

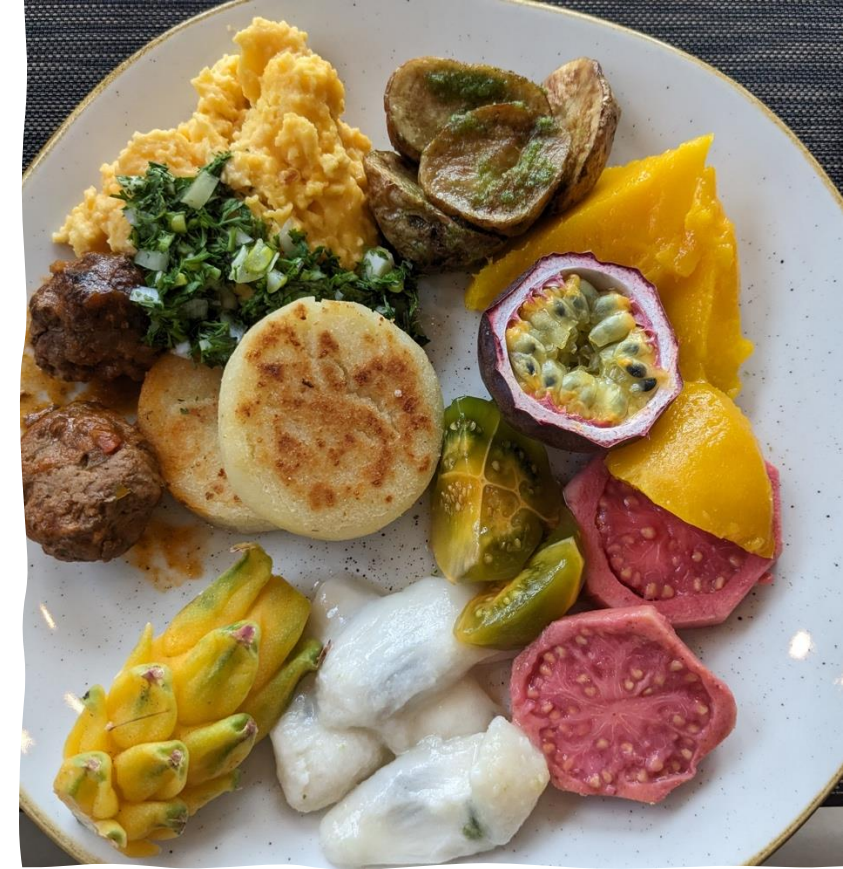
- Renewable energy clusters potentially drive a reliable low-carbon energy transition.
- Renewable energy clusters are place-based and heterogenous.
- Industrial and material renewable energy cluster types are identified.
- Seven dimensions are proposed to predict renewable energy cluster emergence.
- The typification of renewable energy clusters will support policy development.

Open access (free download) link:

<https://doi.org/10.1016/j.apenergy.2024.124559>

Place

“meaningful location” – the material setting for social relations – the actual shape of place within which people conduct their lives
places must have some relationship to humans and the human capacity to produce and consume meaning, “place attachment”



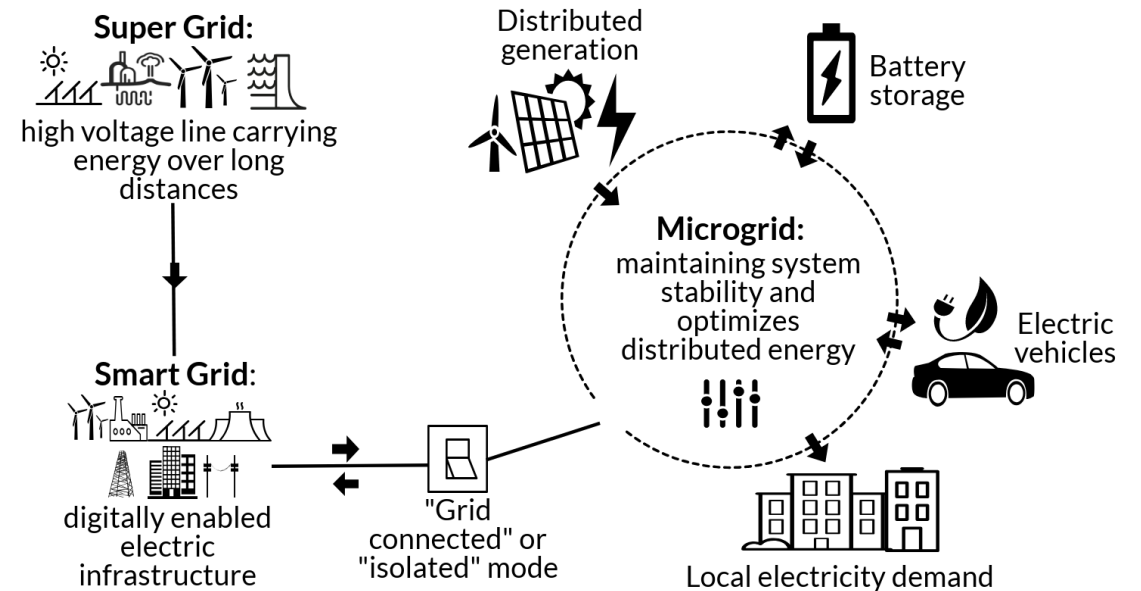
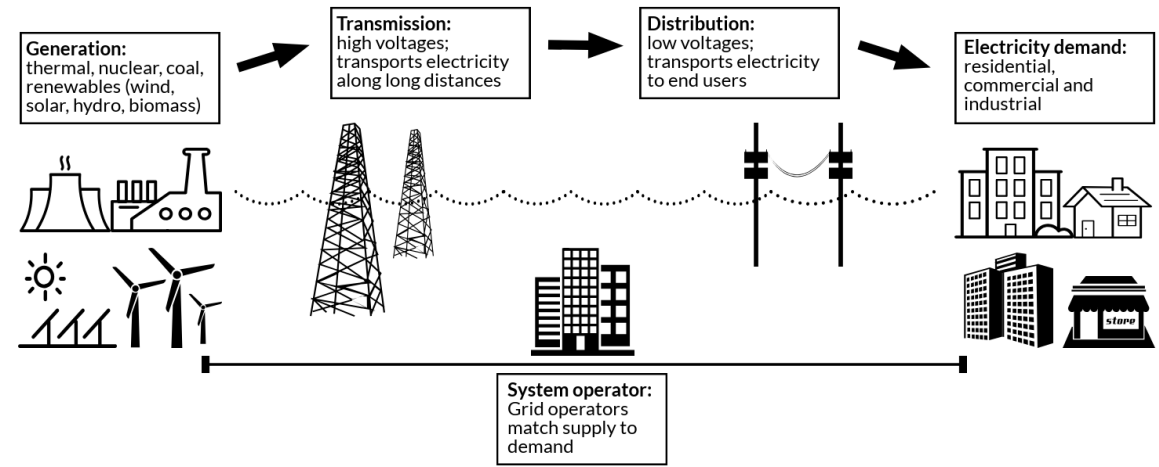
Decentralization & Democratization

Electricity sectors have been traditionally dominated by utilities.

With the decentralization of electricity technology brings the opportunity for the democratization of electricity generation and distribution and the inclusion of new actors such as firms, small and medium enterprises, citizens, municipalities, local authorities, communities, Indigenous rights holders and First Nations

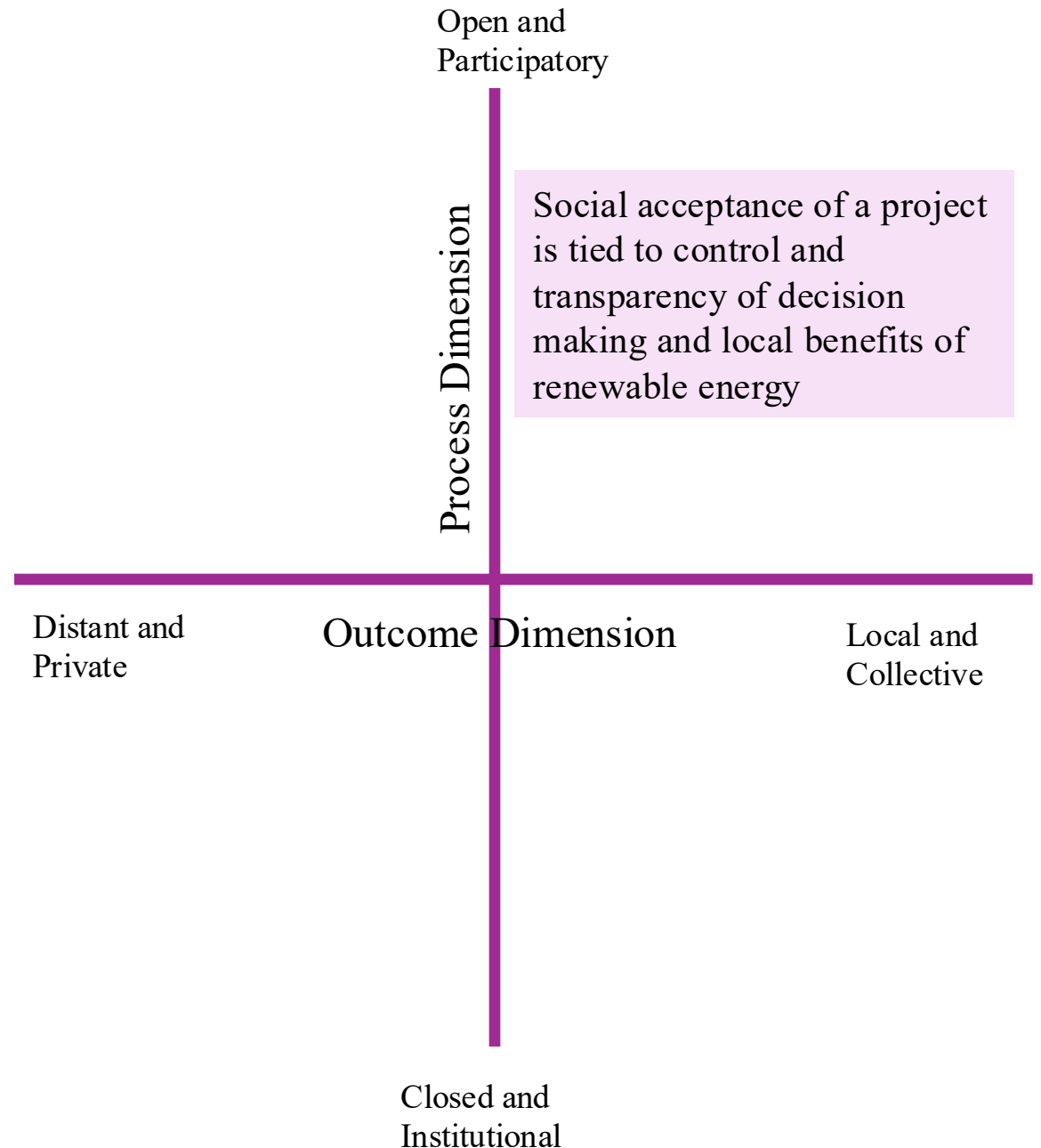
This transition requires major changes in regulatory structures to procure and provide electricity.

There is often a power struggle between incumbent utilities, that need to adapt to this new context and new electricity actors trying to engage in the sector.



Community or Nation-led Electricity Infrastructure Projects

- Can be Independent Power Producer projects, community trusts, partnerships, Indigenous economic development corporations, cooperatives, etc.
- Can increase private investment in electricity sector development;
- Potential outcomes :
 - Economic development and revenue
 - Project acceptance
 - Capacity development
 - Reduce greenhouse gas emissions
 - Socio-economic regeneration
 - Knowledge and skills development
 - Social capital
 - Energy literacy and environmentally benign lifestyles
 - Access to affordable energy
 - Empowerment
- Ownership and governance structure impact socioeconomic impacts and benefits.



Knowledge and knowledge gaps to
scale independent power production,
social acceptance, and community
energy sector

Pyramid of Policy Support for Viability of Community Energy



Open access link to download:

<https://doi.org/10.1016/j.rser.2024.115307>

Landscape of knowledge resources

- There is a lack of consistent documentation of socioeconomic impacts & benefits felt by communities;
- Across Canada:
 - No tracking of renewable and clean electricity projects and infrastructures;
 - Inconsistent categorizations, including NAICS and across community and other business models;
 - Little and inconsistent tracking of the associated benefits and impacts of energy projects for/ on Nations and communities;
 - Lack of data impedes analysis relevant to the creation of policy that is supportive of low-carbon and clean electricity grids and (forthcoming report from the David Suzuki Foundation).

Research project: What are the options for community governance of energy projects

Dialogue: support discussion, advisory capacities, varying levels of decision-making for communities involved in energy projects (3 types)

Compensation: defined legal rights to benefits (primarily financial) for communities as a result of energy project development. (4 types)

Ownership: communities can own energy infrastructure projects such as generation or transmission (22 types)

No one entity or person can have control (5 types)

Ability of one person or entity to control varies (5 types)

One entity or person can have control (12 types)

Community governance options in practice



Limited Partnership with
Indigenous Coalitions -
Wataynikaneyap Power



Equity Ownership Combined with
a Participatory Community Trust -
Bow Lake Wind Facility



Renewable Energy Cooperatives
- Bow Valley Green Energy
Cooperative



Community Choice (Energy)
Aggregation (CCA) - Sonoma
Clean Power



Sustainable Energy Utilities
(SEU) - Delaware
Sustainable Energy Utility
(DESEU)

Sector Actors



Policy-Makers



Utilities, Industry, Developers



Nations, Communities, Citizens



Intermediaries



Knowledge Networks

Research Project: Place-Based Outcomes for Renewable Energy Clusters

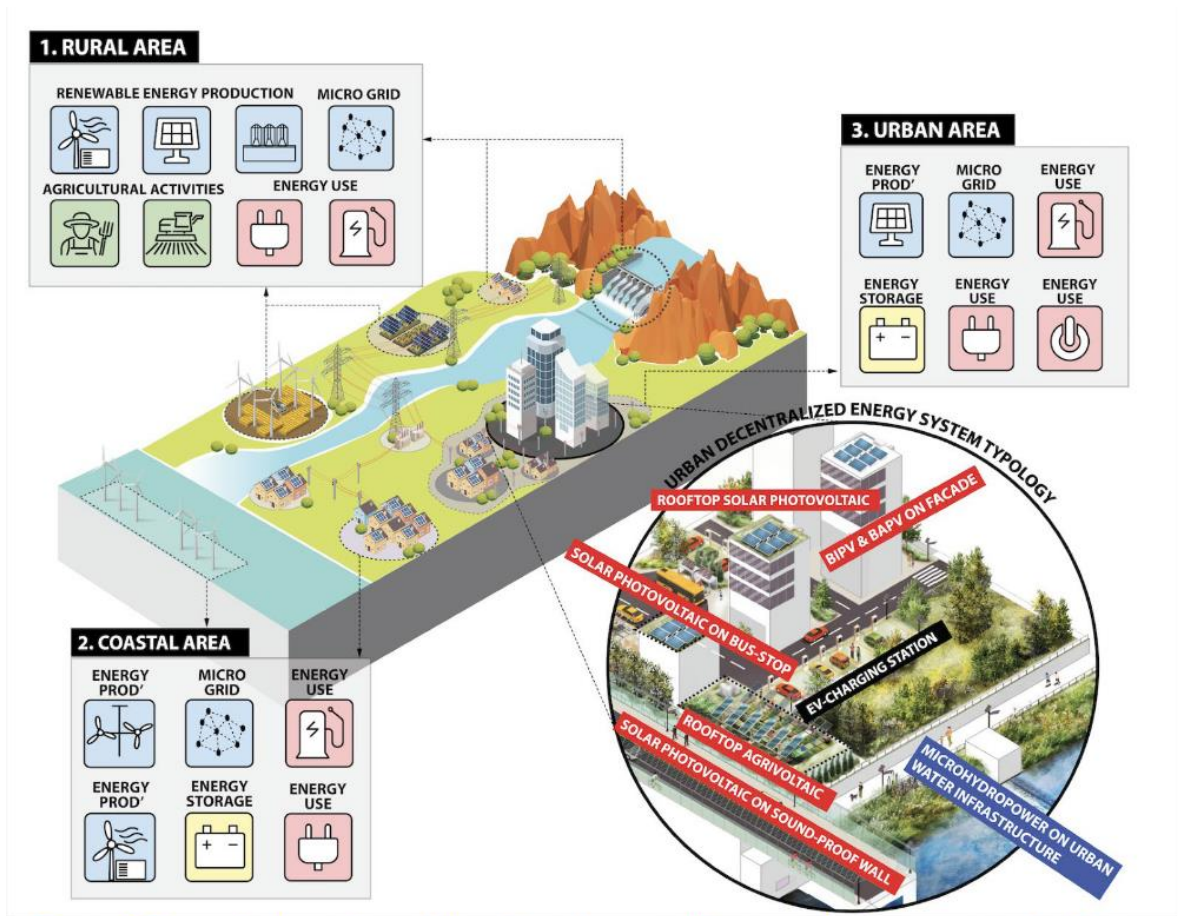


Figure 6 Conceptual overview of place-based renewable energy landscapes over landscape transects and the design typologies of urban DES. Credit: Yeongseo Yu.

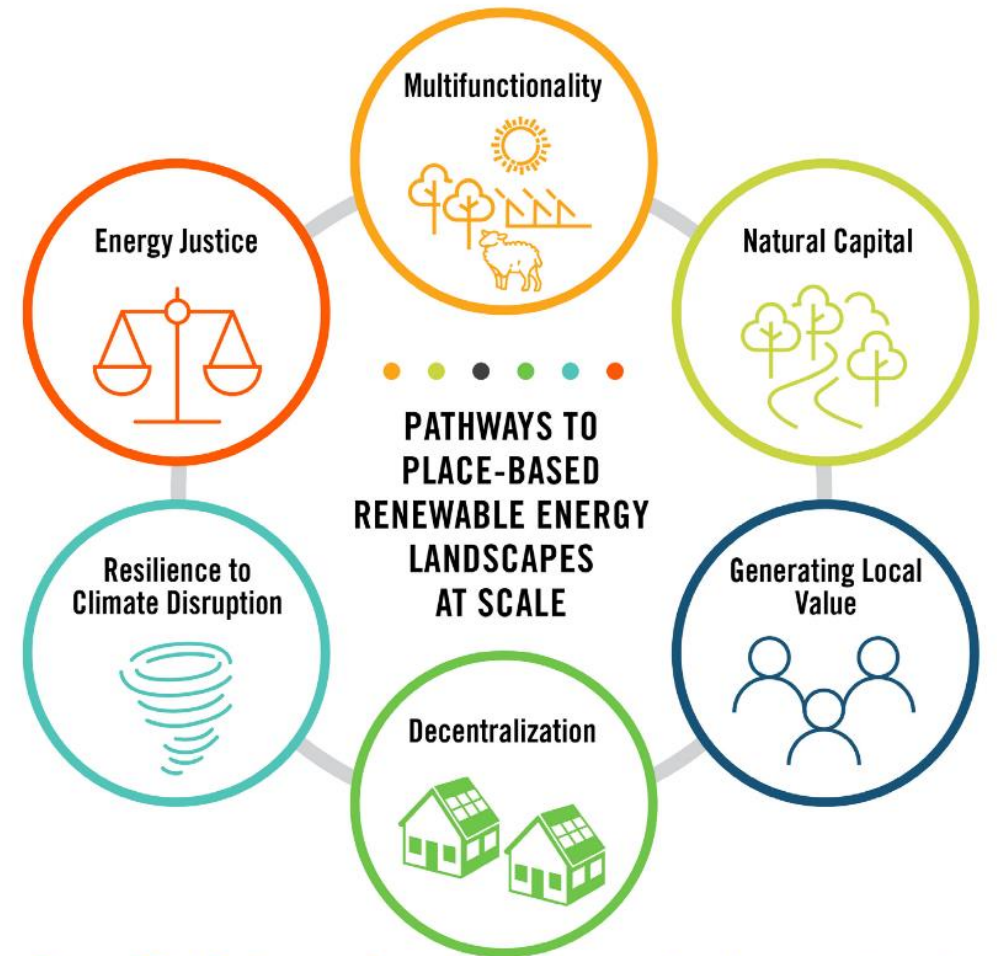


Figure ES 1 Pathways for renewable energy landscapes at scale.

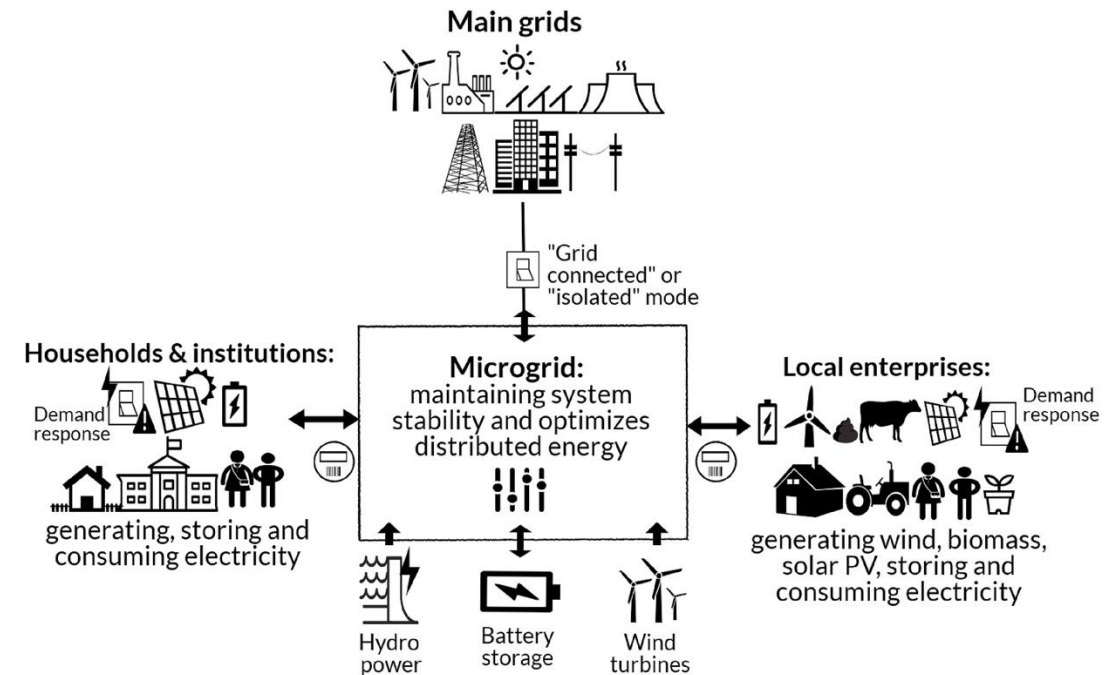
Learning from renewable energy clusters

We used manual data driven approaches to identify 510 renewable energy clusters globally.

We identified "complementary" renewable energy sources, flexibility, and demand-side innovations in the cluster.

We can learn about who is involved, what are their characteristics, what policy and regulatory factors led to their emergence, and study the techno

This data may offer useful guidance for decision-makers in selecting, prioritising, and financing clean innovation strategies, taking into account sector-specific pathways and the distributional impacts of proposed low-carbon and/or resilient recovery policies and programs and implementing place-based regional development policies.

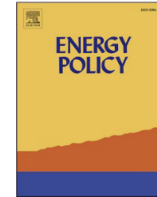






Contents lists available at [ScienceDirect](https://www.sciencedirect.com)

Energy Policy

journal homepage: www.elsevier.com/locate/enpol



“Stretch and transform” for energy justice: Indigenous advocacy for institutional transformative change of electricity in British Columbia, Canada

Christina E. Hoicka ^{a,*} , Adam Regier ^a, Anna L. Berka ^{b,c} , Sara Chitsaz ^a, Kayla Klym ^a

^a University of Victoria, PO Box 1700 STN CSC, Victoria, BC, V8W 2Y2, Canada

^b Massey Business School, Massey University, Private Bag 11 222, Palmerston North, 4442, New Zealand

^c School of Environment and Science, Griffith University, 170 Kessels Rd, Nathan Qld, 4111, Brisbane, Australia

ARTICLE INFO

Keywords:

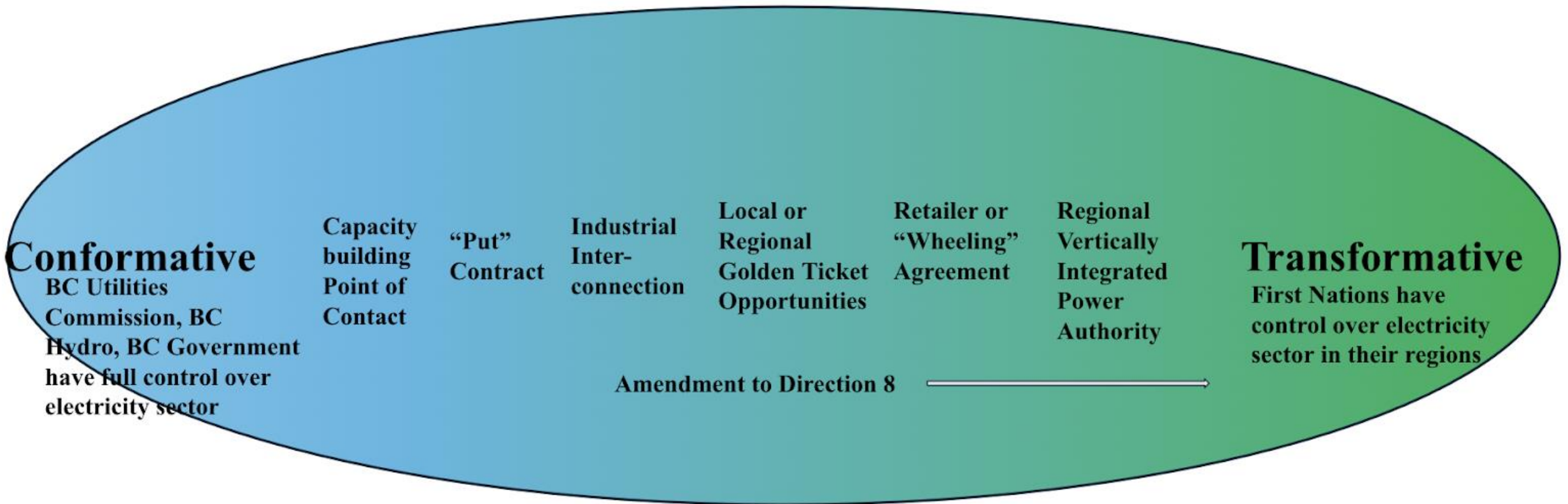
First nations
Renewable energy
Regional
United nations declaration on the rights of indigenous peoples (UNDRIP)
Community energy
Intermediaries
Energy justice

ABSTRACT

Transformative energy justice addresses root causes and legacies of inequality, centers voices and world views of historically excluded communities in the problem definition, decision making and transition processes. This study offers insights from a unique case of meso-level collective action by First Nations in British Columbia (BC), Canada, aimed at transformative electricity institutional change. We collate regulatory and advocacy text to characterise the range of proposed First Nation Power Authority models and their placement along a continuum of conformative to transformative energy justice. Interviews with knowledge holders from 14 First Nations offer insight into motivations behind transformative change and how it is shaped by historical injustice alongside practical community objectives around energy security, resilience, and community development. First Nations narratives of electricity transformation are aligned with the United Nations Declaration of the Rights of Indigenous People (UNDRIP) and with goals of self-determination and incorporate relational and regional approaches. These findings validate theoretical frameworks of transformational energy justice (Avelino et al., 2024; Elmallah et al., 2022). Much of the groundwork has been laid by the collective and the regulator, while new legislation has opened a window of opportunity to increase Indigenous participation and control in the electricity sector.

Link to open access
(free download) paper:
<https://doi.org/10.1016/j.enpol.2025.114615>

Characterization of First Nation Power Authority Models from Conformative to Transformative Change



Details of Power Authorities and Regulatory Change

Table 3 Conformative and transformative dimensions of proposed First Nation Power Authority models outlines the models:

- Characteristics and description
- Examples, and whether it is hypothetical or real-world
- The minimum specific regulatory changes required to implement this type of First Nations Power Authority.

Table 3

Conformative and transformative dimensions of proposed First Nation Power Authority models.

Proposed and Deliberated Model Characteristics and Considerations ^a	Examples	Conformative and Transformative Dimensions of Models
<p>Capacity Building Point of Contact Bridges gaps and leverages project development expertise, network of industry experts, and technical advisors to evaluate and develop projects resulting in increased economic benefits for First Nations (Lonechild, 2023). Works with incumbent utilities to promote Indigenous projects (SaskPower, n.d.). Meets the need for streamlined processes to increase power (SaskPower, n.d.)</p>	<p>Existing BC Indigenous Clean Energy Initiative provides support and capacity-building funds to First Nations for planning and implementation of clean-energy projects (Ministry of Energy, Mines and Low Carbon Innovation, 2023). New Relationship Trust administers BC Indigenous Clean Energy Initiative, supports capacity building for advocacy (New Relationship Trust, 2023; 2021). Advocacy for opportunities, policy change provided by CEBC, First Nations Clean Energy Working Group, First Nations Major Projects Coalition (FNMPCC)^b, Pembina Institute Renewables in Remote Communities (RiRC). Conferences organised by CEBC (First Nations Energy Summit) and Pembina Institute (RiRC Conference). First Nations Power Authority (FNPA) expanding from the province of Saskatchewan to serve BC First Nations to support the development of renewable energy projects (Lonechild, 2023).</p> <p>Hypothetical Strategies to build First Nation capacity in all aspects of energy systems (BC Utilities Commission, 2020).</p>	<p>Conformative Dimensions The BC government could provide additional financial support to organizations to build Indigenous capacity in the electricity sector (BC Utilities Commission, 2020). Increase First Nation representation at the electricity regulator, such as Indigenous people in advisory, staff, and Commissioner roles, to build Indigenous capacity in utility regulation and remove regulatory barriers (BC Utilities Commission, 2020).</p>
<p>“Put” Contract Agreement that grants a FNPA representing numerous First Nation IPPs the right, but not obligation, to supply electricity to BC Hydro according to specified terms and conditions (Keppel Gate Consulting, 2021). A portion of new demand be set aside to create opportunity for First Nations (Keppel Gate Consulting, 2021). Terms of the put agreement developed to meet the needs of BC Hydro for price, volume, technology location (Keppel Gate Consulting, 2021). Provides consistent demand to attract capital for First Nation investment in developing electricity projects (Keppel Gate Consulting, 2021).</p>	<p>Existing As of 2023, BC Hydro has 125 Electricity Purchase Agreements to deliver over 18,800Gw/h annually (BC Hydro, 2023a)</p> <p>Hypothetical First Nation IPPs make a notional delivery to the First Nation Power Authority which delivers electricity to BC Hydro according to the put agreement. FNPA would then make payments back to the First Nation IPPs (Keppel Gate Consulting, 2021). A First Nation seeking to develop a renewable energy generation plant (e.g. run of river, wind) on its territory can seek an EPA with the incumbent utility rather than consume the produced energy themselves (BC Utilities Commission, 2020, p. 25).</p>	<p>Conformative Dimensions All services would have to meet existing Mandatory Reliability Standards (BC Utilities Commission, 2020). Historically, electricity sold to BC Hydro has been obtained through both Clean Power Calls and the Standing Offer Program (BC Utilities Commission, 2020).</p> <p>Transformative Dimensions Identification or creation of a regulatory body for Indigenous utilities (BC Utilities Commission, 2020). Establish purchase prices paid to IPPs, and determine whether subsidies are necessary, if so, who should cover the cost of subsidizing the EPA price (BC Utilities Commission, 2020).</p>
<p>Industrial Interconnection Single Nations or small groups of Nations create and operate connection infrastructure (transmission lines). This could be in-system or involve building beyond the BC Hydro grid (i.e., “edge of system”) to allow remote industrial facilities to access the BC Hydro grid (Lusztig, 2023a; 2023b). Industrial customers must agree to be serviced by a new operator and potentially a new regulator (Lusztig, 2023a). Industry and regulatory reaction have been generally supportive (Lusztig, 2023a). No need to create a complex entity up front (Lusztig, 2023a). Allows First Nations to attract investment from developers looking to take advantage of allowed opportunities through a partnership (Lusztig, 2023a).</p> <p>Local or Regional “Ticket” Opportunities FNPA receives advantages through regulatory, commercial, and system “Golden Ticket” opportunities (Lusztig, 2023a). Provides First Nations with a unique opportunity that allows them to earn economic value on their own terms (Lusztig, 2023a). Provides broader opportunity than the interconnection model while much simpler to develop (Lusztig, 2023a). No need to create a complex entity up front (Lusztig, 2023a). Allows First Nations to attract investment from developers looking to take advantage of the allowed opportunities through a partnership (Lusztig, 2023a).</p>	<p>Existing Wataynkaneyap Transmission line in Province of Ontario, 24 First Nations own 51 %, private investors own 49 % (Lusztig, 2023b).</p> <p>Proposed: Co-ownership of the North Coast Electrification transmission line between BC Hydro and First Nations (Lusztig, 2023b).</p> <p>Hypothetical The Indigenous government of a territory is the owner/operator and regulator of an electric distribution utility in this territory. It subsequently acquired all transmission assets on its territory, including the transmission lines and transformer stations from which its distribution utility takes service (BC Utilities Commission, 2020, p. 26).</p> <p>Hypothetical Designated procurement opportunities for First Nations to sell power to BC Hydro (Lusztig, 2023a). Use of the transmission system for wheeling power to specific customers such as First Nations, industrial customers, or for export (Lusztig, 2023a). A designated opportunity for a First Nation to capture benefits for First Nations from BC Hydro’s large dams that have infringed First Nations’ traditional territories (Lusztig, 2023a). Premiums for decarbonization initiatives in First Nations and remote communities (Lusztig, 2023a).</p>	<p>Conformative Dimensions All services would have to meet existing Mandatory Reliability Standards (BC Utilities Commission, 2020). Must cover the cost of connecting to existing transmission or distribution infrastructure (Lusztig, 2023b).</p> <p>Transformative Dimensions Identification or creation of a regulatory body for Indigenous utilities (BC Utilities Commission, 2020). Regulatory change to direction 8 over access and ownership of transmission and distribution lines (BC Utilities Commission, 2020).</p> <p>Conformative Dimensions Same as Industrial Interconnection Model</p> <p>Transformative Dimensions Regulation to define and implement “Golden Ticket”. Regulatory change to direction 8 over access and ownership of transmission and distribution lines or of access to sell electricity as a retailer in this system (BC Utilities Commission, 2020).</p>

(continued on next page)

Intermediary Organizations 'Seed Wider Change'



Intermediaries ...

- are critical to electricity sector development and re-development.
- are defined by the functions they perform.
 - Support the adoption and diffusion of technologies, innovations, social innovations, governance arrangements, and business models that are new to a jurisdiction or market.
 - Creating and maintaining networks among communities, Nations, developers, governments, regulators, suppliers, by playing the role of “middle actors”, “boundary spanners”, and “hybrid actors”.
 - Wide range of functions include brokering, policy entrepreneurship, networking, relationship building, legal and financial advising, translation, capacity building, training, community support, research advancement, communication and public relations, technological support, and knowledge mobilisation.
 - Community energy project intermediaries can support institutional, infrastructural, and participatory elements, “aggregation and learning”, “establishing an institutional infrastructure”, and “framing and coordinating local project activities”, “aggregation and learning”, “establishing an institutional infrastructure”, and “framing and coordinating local project activities” and “bridging to policy”.
- Organizationally, they can be universities, non-governmental organisations, innovation networks, partnerships, consultants, architects, standardisation committees, among many others.

Intermediaries

- Indigenous Clean Energy
- New Relationship Trust
- Clean Energy Association of BC
- First Nations Power Authority
- Ecotrust Canada
- Northern Energy Innovation at Yukon University
- Electricity Human Resources Canada



- Community Appropriate Sustainable Energy Security (CASES) Partnership at University of Saskatchewan
- Renewables in Remote Communities at the Pembina Institute
 - Sacred Earth Solar
 - Unify / Climate Door
- First Nations Major Projects Coalition



Opportunities to seed
transformative change

Opportunities

- Develop and find intermediaries to tailor place-based approaches and networks to connect communities, to each other, to the region and utility, and connections outside the region;
- Research projects and research institutes can provide some of the functions of an intermediary and advance innovation in technology, governance, and business models.
 - Aurora College, Aurora Research Institute
 - New Frontiers in Research Fund Transformation Grants
 - NSERC Alliance Society Grants
 - Canada First Research Excellence Fund
- Develop a national-scale, federally funded, stakeholder and rights holder governed partnership for data-sharing and analysis to track renewable and clean electricity projects and infrastructures, their governance structures, and associated impacts and benefits to allow for critical analysis and network development.

Strongly Suggested Reading

44 Recommendations for Indigenous people, Nations, policy makers and utilities

First Nations Major Projects Coalition, Mokwateh, 2024. National Indigenous Electrification Strategy: Strategy to Accelerate Indigenous Ownership of Net Zero Infrastructure in Canada. First Nations Major Project Coalition.

https://fnmpc.ca/wp-content/uploads/FNMPC_National_Electrification_digital_final_04222024.pdf

National Indigenous Electrification Strategy

Strategy to Accelerate Indigenous Ownership of Net Zero Infrastructure in Canada



FUNDED BY



COMMISSIONED BY



IN PARTNERSHIP WITH



Other suggested reading

- Berka, A.L., Creamer, E., 2018. Taking stock of the local impacts of community owned renewable energy: A review and research agenda. *Renewable and Sustainable Energy Reviews* 82, 20. <https://doi.org/10.1016/j.rser.2017.10.050>
- Berka, A.L., Hoicka, C.E., Sperling, K., 2025. The political economics of civic energy: A framework for comparative research. *Renewable and Sustainable Energy Reviews* 211, 115307. <https://doi.org/10.1016/j.rser.2024.115307>
- British Columbia Utilities Commission, 2020. British Columbia Utilities Commission Indigenous Utilities Regulation Inquiry - Final Report, BCUC Indigenous Utilities Regulation Inquiry. British Columbia Utilities Commission, Vancouver, BC. https://docs.bcuc.com/Documents/Proceedings/2020/DOC_57958_2020-04-30-BCUC-IUR-Inquiry-Final-Report-Web.pdf
- Comeau, L., Gresh, E., Vaillancourt, L.-C., 2022. Why do wind projects fail? Conservation Council of New Brunswick, Fredericton, New Brunswick. <https://www.conservationcouncil.ca/wp-content/uploads/2022/11/Report-Why-do-renewable-energy-projects-fail-3.pdf>
- Comeau, L., 2022. Factors Affecting Social acceptance of renewable energy and transmission projects. Conservation Council of New Brunswick, St John, Fredericton. <https://climateaccess.org/resource/factors-affecting-social-acceptance-renewable-energy-and-transmission-projects/>
- Hoicka, C.E., Regier, A., Berka, A.L., Chitsaz, S., Klym, K., 2025. “Stretch and transform” for energy justice: Indigenous advocacy for institutional transformative change of electricity in British Columbia, Canada. *Energy Policy* 202, 114615. <https://doi.org/10.1016/j.enpol.2025.114615>
- Hoicka, C.E., Graziano, M., Willard-Stepan, M., Zhao, Y., 2025. Insights to accelerate place-based at scale renewable energy landscapes: An analytical framework to typify the emergence of renewable energy clusters along the energy value chain. *Applied Energy* 377, 124559. <https://doi.org/10.1016/j.apenergy.2024.124559>
- Lamb, W.F., Antal, M., Bohnenberger, K., Brand-Correa, L.I., Müller-Hansen, F., Jakob, M., Minx, J.C., Raiser, K., Williams, L., Sovacool, B.K., 2020. What are the social outcomes of climate policies? A systematic map and review of the ex-post literature. *Environ. Res. Lett.* 15, 29. <https://doi.org/10.1088/1748-9326/abc11f>
- O’Neil, R., Preziuso, D., Arkema, K., Ko, Y., Pevzner, N., Diamond, K., Gore, S., Morrice, K., Henderson, C., Powell, D., 2022. Renewable Energy Landscapes: Designing Place-Based Infrastructure for Scale (No. PNNL-32680, 1961993). <https://doi.org/10.2172/1961993>
- Pineau, P.-O., 2021. Improving integration and coordination of provincially-managed electricity systems in Canada. Canadian Institute For Climate Choices. <https://climatechoices.ca/wp-content/uploads/2021/09/CICC-Improving-integration-and-coordination-of-provincially-managed-electricity-systems-in-Canada-by-Pierre-Olivier-Pineau-FINAL.pdf>
- Slee, B., 2020. Social innovation in community energy in Scotland: Institutional form and sustainability outcomes. *Global Transitions* 2, 157–166. <https://doi.org/10.1016/j.glt.2020.07.001>

ALASKA ENERGY AUTHORITY

AEA POWER COST EQUALIZATION AND RURAL PROGRAMS

Curtis W. Thayer, Executive Director
Tim Sandstrom, Chief Operating Officer

Northwest Territories
Legislative Assembly
April 25, 2025



About AEA

The AEA's mission is to reduce the cost of energy in Alaska. To achieve this mission, AEA strives to diversify Alaska's energy portfolio — enhancing reliability, resiliency, and redundancy.

Railbelt Energy (Owned Assets)

- Bradley Lake Hydroelectric Project
- Alaska Intertie
- Sterling to Quartz Creek Transmission Line
- High-Voltage Direct Current Transmission Line

Power Cost Equalization

- \$48 Million Program
- 188 Rural Communities
- 82 Electric Utilities
- 82,000+ Alaskans

Rural Energy

- Bulk Fuel Upgrades
- Rural Power System Upgrades
- Circuit Rider Program
- Electrical Emergency Assistance

Renewable Energy and Energy Efficiency

- Renewable projects: biomass, electric vehicles, hydroelectric, solar, and wind
- Federal programs: National Electric Vehicle Infrastructure, Solar for All, and Home Energy and High Efficiency Rebate Allocations

Grants and Loans

- Renewable Energy Fund
- Power Project Fund

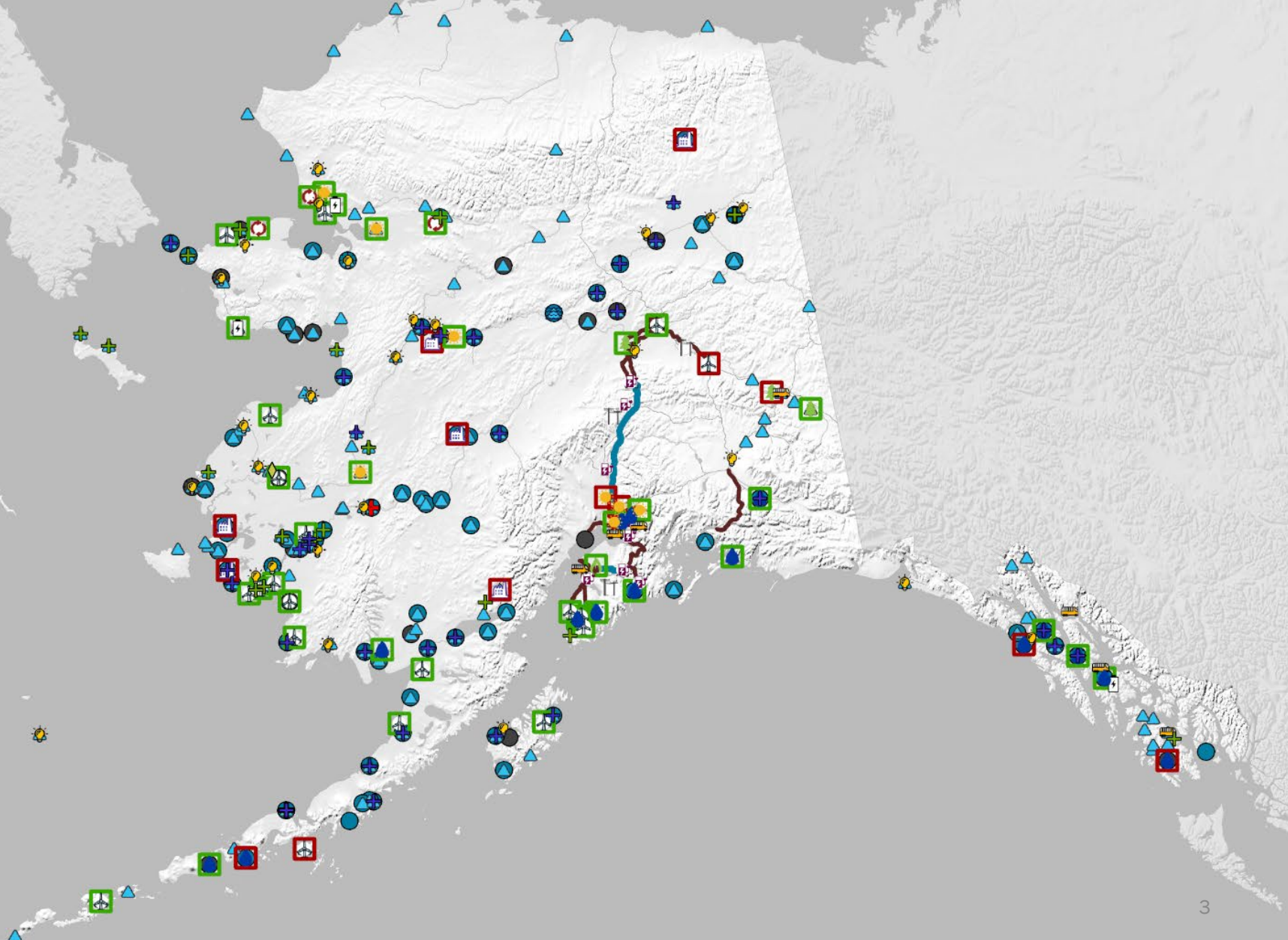
Energy Planning

- Alaska Energy Security Task Force
- State Energy Security Profile
- Electronic Library
- Energy Data Resources
- 40101(d) Grid Resilience Program

Railbelt Transmission Organization

AEA Active Projects and Services

- 🌱 Biogas (1)
- 🌳 Biomass (4)
- ⊕ Bulk Fuel Upgrades (25)
- 🏠 Diesel (6)
- 🚗 Electric Vehicles (9)
- 💠 Emerging Energy Technology Fund (1)
- 🔥 Heat Recovery (3)
- 💧 Hydroelectric (18)
- 🌊 Hydrokinetic (1)
- ⊕ Rural Power System Upgrades (33)
- ☀️ Solar (8)
- 🔋 Storage (3)
- 🏗️ Transmission (3)
- 💡 Village Energy Efficiency Program (27)
- 🚐 Volkswagen Diesel Settlement Grants (7)
- ✈️ Wind (21)
- 🔵 Circuit Rider Assistance (93)
- 🛠️ Emergency Assistance (3)
- 📍 PCE Communities (193)
- 🏠 Power Project Fund
- 🌱 Renewable Energy Fund
- 📡 Transmission Line owned by AEA
- 🛞 Other Transmission Line
- 👤 Utility Training (81)





RURAL ENERGY



Urban and Rural Energy Solutions



1960

In the 1960s, some villages had local utilities, and the Alaska Village Electric Cooperative was formed in 1968. Isolated rural communities, reliant on costly diesel power, lacked the benefits of urban investments. Rising oil prices and limited infrastructure in the late 1970s worsened the financial burden, prompting a 1978 "lifeline rate" proposal and a 1979 report on reducing electricity costs.



1980

In the 1980s, Alaska used oil revenue to develop energy infrastructure, focusing initially on the Railbelt region, to reduce reliance on costly diesel power by investing in large-scale hydroelectric projects and transmission interties.



1984

In 1984, the State established the Power Cost Equalization (PCE) program to align rural electricity rates with urban centers like Anchorage, Fairbanks, and Juneau by subsidizing costs for eligible rural utilities, promoting energy equity.

Legislative Evolution of the PCE Program

Backed by new oil revenues, the State launched the **Power Production Cost Assistance (PPCA) Program** to help offset utility generation costs. Despite concerns over inefficiency, it was enacted into law.

The **Power Cost Equalization (PCE) Program** was officially established, subsidizing 95% of eligible costs above a base rate — bringing rural rates closer to those in Anchorage, Fairbanks, and Juneau. The PCE Program focused on small, diesel-dependent utilities and later adopted usage caps and funding priorities to ensure long-term viability.

The PCE Endowment Fund was created under Alaska Statute 42.45.070, initially funded by the Four Dam Pool Project and the Constitutional Budget Reserve, with additional contributions in FY2007 and FY2012. In 2023, fiduciary responsibility was transferred to the **Alaska Permanent Fund Corporation**.

FY1981

FY1984-
1985

FY2001

FY1982

FY1994

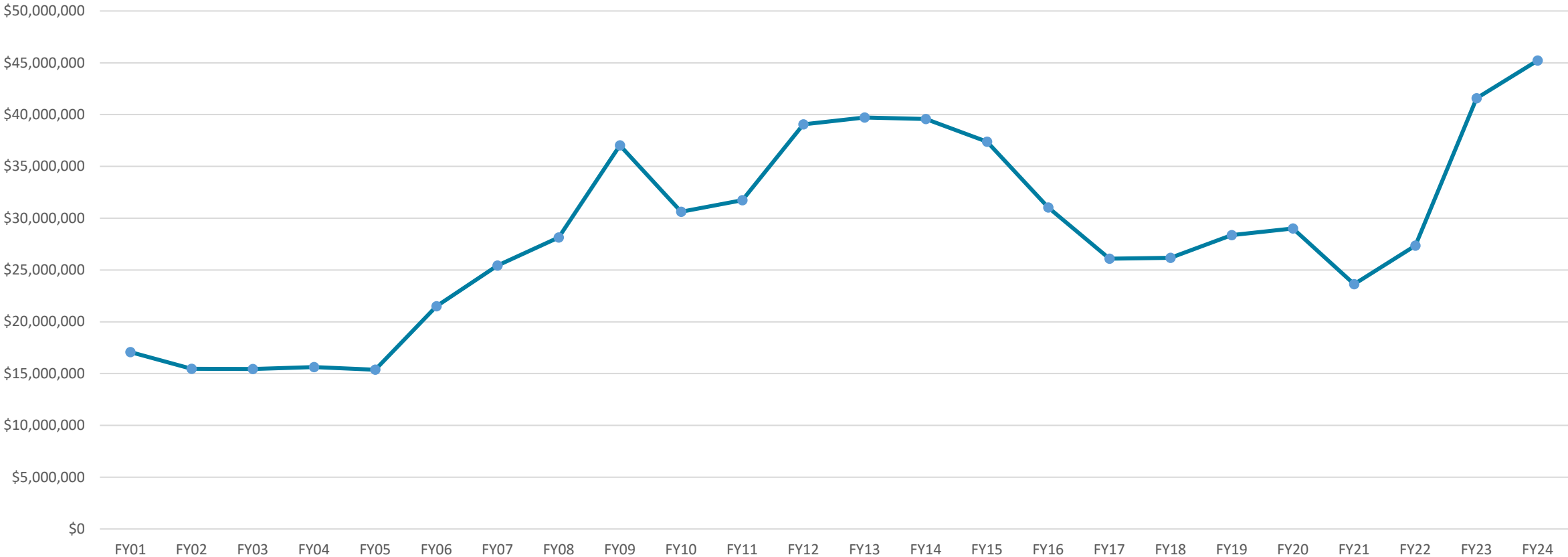
Reforms were introduced to improve equity and restrict the program's growth, leading to its renaming as the **Power Cost Assistance (PCA) Program**.

The Legislature formally established the **PCE Program** and the **Rural Electric Capitalization Fund**, funded through the Railbelt Energy Fund. The Regulatory Commission of Alaska sets rates and determines eligibility, while AEA manages Utility Monthly Reports and disburses payments.

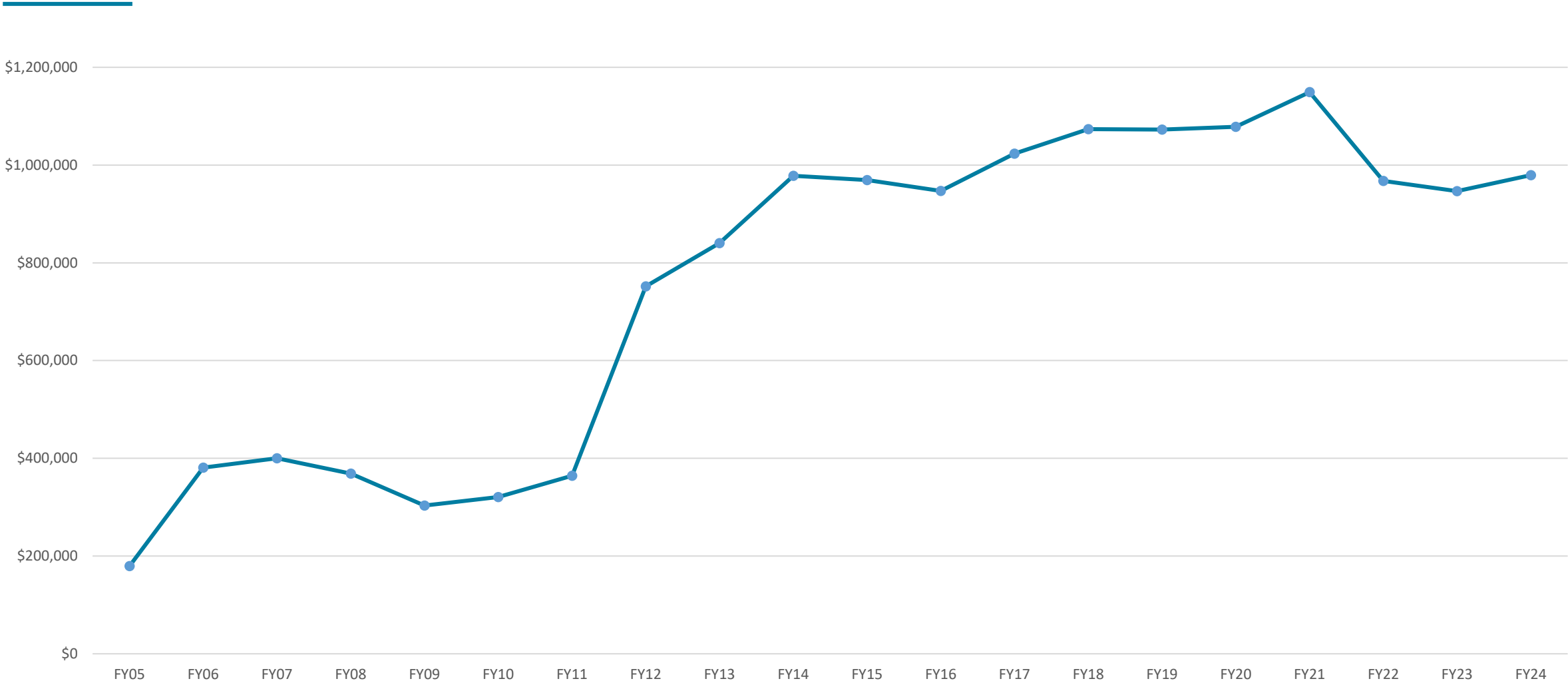
PCE Disbursements (Millions)



AS 42.45.085 provides that 5% of the PCE Endowment Fund 3-year average market value may be appropriated to the program.



PCE Endowment Value (Thousands)



Who is Eligible to Participate in PCE?

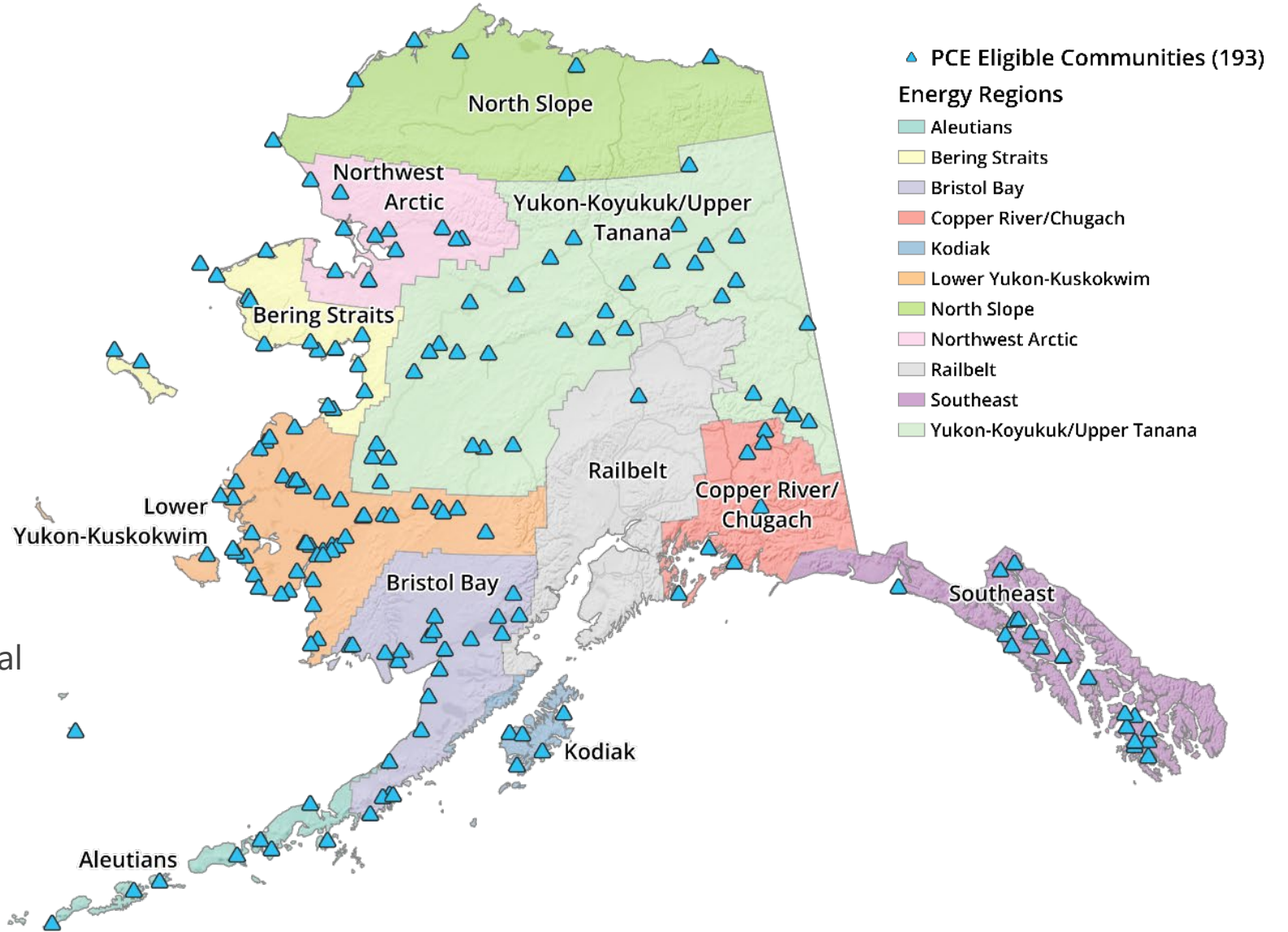
The PCE eligibility is determined by the Regulatory Commission of Alaska in accordance with Alaska Statute 42.45.100-170.

Eligible customers include:

- Residential and community facilities (water, sewer, public lighting, and clinics, etc.)

Non-eligible customers include:

- State and federal facilities and commercial customers
- Any community with rates lower than the urban average (the PCE floor)



Today's PCE Program

The PCE program is a critical component of Alaska's energy policy, helping rural residents access affordable electricity despite geographic isolation and costly infrastructure.



188

RURAL COMMUNITIES



82

ELECTRIC UTILITIES



82,000

ALASKANS



750 kWh

RESIDENTIAL

Residential customers are eligible for PCE credit up to 750 kWhs per month.

70 kWh

PUBLIC FACILITIES

Community facilities can receive PCE credit for up to 70 kWhs per month multiplied by the number of residents in a community.

\$48M

FUNDS BUDGETED

In Fiscal Year 2024, AEA disbursed \$48 million to rural electric utilities for the benefit of our rural communities.

The cost of electricity for Alaska's rural residents is notably higher than for urban residents. The PCE lowers the cost of electric service paid by rural residents. Ultimately ensuring the viability of rural utilities and the availability of reliable, centralized power.

Rural Power System Upgrades



Tuluksak, Alaska



Nikolai, Alaska

- The AEA's **Rural Power Systems Upgrade program** improves power generation in Alaska villages with less than 2,000 people.
- Approximately **170 communities** are eligible for the program, which replaces outdated, inefficient mechanical systems with new electronically controlled generator sets.
- Due to declining funds, rural **power systems are not upgraded timely**, and communities are left with aging systems at risk of failure.
- The AEA evaluates **several factors** when prioritizing projects for funding — at this time, **deferred maintenance is estimated at \$300 million.**

Rural Power System Upgrade Prioritization List



Of the more than **170 communities** eligible for the power system program, AEA has upgraded more than **one-third** of them over the years. The list of communities below is **limited to 25**, as AEA only has the financial and technical resources to manage a half dozen new projects each year. AEA estimates each power system upgrade to cost between **\$5-7 million**. To complete all 25 on the list below, the total is estimated to be **\$175 million**.

1. Red Devil
2. Nelson Lagoon
3. Chalkyitsik
4. False Pass
5. Manokotak
6. Tuluksak
7. Atka
8. Birch Creek
9. Hughes
10. Kokhanok
11. Newtok
12. Saint Paul
13. Chignik Bay
14. Levelock
15. Galena
16. Saint George
17. Chignik Lagoon
18. Chuathbaluk
19. Elfin Cove
20. Karluk
21. Pedro Bay
22. Diomedede
23. Mertarvik
24. Ruby
25. Stony River

- The AEA designs and builds modern, code-compliant bulk fuel facilities through our **Bulk Fuel Upgrade program**.
- In Alaska, there are over **400 bulk fuel facilities** — each sized to support the village.
- Most of the facilities are older than 40 years, **with many exceeding 50 years**, and they average **100,000 gallons** in size.
- However, **aging infrastructure poses several safety risks for rural communities**, e.g., corrosion, erosion, and environmental.
- The AEA maintains an inventory and assessment priority need-based list — so far, **deferred maintenance is estimated at \$1 billion**.



Bulk Fuel Upgrades

Bulk Fuel Upgrade Prioritization List



Of the State's **400 bulk fuel facilities**, **60%** have been assessed by AEA. Initial data collection to establish a baseline will be completed by December 2024. This active list can be re-ranked according to specific area of concern, e.g., **environmental, dispenser, tank health**. As AEA gathers additional data, the list is re-ranked accordingly. The AEA estimates each bulk fuel upgrade to cost between **\$10-12 million**. To complete all 25 on the list below, the total is estimated to be **\$300 million**.

- | | | |
|---------------|------------------|-------------------|
| 1. Shageluk* | 10. Wales* | 19. Goodnews Bay |
| 2. Newtok | 11. Allakaket* | 20. Shungnak* |
| 3. Eek* | 12. Kasaan* | 21. Kwigillingok* |
| 4. Kivalina | 13. Coffman Cove | 22. Tuluksak* |
| 5. Kobuk | 14. Naukati Bay | 23. Teller |
| 6. Chefornak* | 15. Nulato | 24. Galena |
| 7. Metlakatla | 16. Huslia | 25. Kongiganak |
| 8. Whale Pass | 17. Ambler* | |
| 9. Noatak | 18. Manokotak | |

*AEA active projects or projects in development. Several of these projects were identified in previous inventories and assessments.

Circuit Rider Program



Electrical Emergency Assistance

- Akiak
- Chignik

Circuit Rider and Bulk Fuel Itinerant Onsite

Number after entity indicates more than one occurrence. 45 Total Onsite Visits

- | | | | | | |
|--------------------|--------------------|---------------|-----------------|-------------------|-------------------|
| ▪ Akhiok | ▪ Chignik Lagoon | ▪ Galena | ▪ Manokotak | ▪ Pedro Bay (2) | ▪ Russian Mission |
| ▪ Akiak (2) | ▪ Chignik Lake (2) | ▪ Golovin (2) | ▪ Mertarvik | ▪ Perryville (2) | ▪ Scammon Bay (2) |
| ▪ Beaver (2) | ▪ Chitina (2) | ▪ Hughes | ▪ Napaskiak (4) | ▪ Pilot Point (2) | ▪ Teller |
| ▪ AVTEC Seward (5) | ▪ Circle (2) | ▪ Igiugig | ▪ New Stuyahok | ▪ Pilot Station | ▪ Tenakee Springs |
| ▪ Chalkyitsik | ▪ Cold Bay | ▪ Kipnuk (4) | ▪ Nikolai | ▪ Port Heiden | ▪ Tuluksak (2) |
| ▪ Chignik Bay (2) | ▪ False Pass | ▪ Levelock | ▪ Nunam Iqua | ▪ Rampart (2) | ▪ Venetie (2) |

Circuit Rider Real-Time Remote Assistance

Number after entity indicates more than one occurrence. 311 Total Responses

- | | | | | | | |
|----------------------|----------------------|------------------|--------------------|---------------------|-----------------------|---------------|
| ▪ Akhiok (5) | ▪ Chignik Bay (6) | ▪ Elfin Cove (8) | ▪ Kongiganak (2) | ▪ Nelson Lagoon (3) | ▪ Red Devil | ▪ Venetie (9) |
| ▪ Akiachak (8) | ▪ Chignik Lagoon (3) | ▪ False Pass (2) | ▪ Koyuk (2) | ▪ Newhalen | ▪ Ruby (2) | ▪ Wainwright |
| ▪ Akiak (8) | ▪ Chignik Lake (2) | ▪ Fort Yukon | ▪ Koyukuk (5) | ▪ Nikolai (7) | ▪ Saint George | |
| ▪ Aniak | ▪ Chitina (7) | ▪ Galena | ▪ Kwethluk (9) | ▪ Nikolski | ▪ Sleetmute (2) | |
| ▪ Arctic Village (3) | ▪ Chuathbaluk | ▪ Hoonah (2) | ▪ Kwigillingok (4) | ▪ Nunam Iqua (14) | ▪ Stevens Village | |
| ▪ Atka | ▪ Circle (7) | ▪ Hughes (3) | ▪ Levelock (8) | ▪ Ouzinkie (4) | ▪ Stony River | |
| ▪ Atmautluak | ▪ Clarks Point | ▪ Igiugig | ▪ Manokotak | ▪ Pedro Bay (3) | ▪ Takotna | |
| ▪ Beaver (2) | ▪ Cold Bay | ▪ Karluk (4) | ▪ McGrath | ▪ Pelican | ▪ Tatitlek (5) | |
| ▪ Buckland (2) | ▪ Crooked Creek | ▪ Kipnuk (11) | ▪ Mertarvik (6) | ▪ Perryville (2) | ▪ Tenakee Springs (4) | |
| ▪ Central | ▪ Diomedea (5) | ▪ Kokhanok (3) | ▪ Napakiak | ▪ Pilot Point (4) | ▪ Tuluksak (5) | |
| ▪ Chalkyitsik (2) | ▪ Egegik (4) | ▪ Koliganek | ▪ Napaskiak (6) | ▪ Port Heiden (14) | ▪ Unalakleet | |

The background of the slide features a landscape with several white wind turbines of varying heights. The turbines are set against a bright blue sky filled with soft, white clouds. In the foreground, there is a dense line of green trees, including both deciduous and coniferous varieties. The overall scene is bright and clear, suggesting a sunny day.

RENEWABLE ENERGY FUND

Renewable Energy Fund (REF) Grant Program

Established in 2008, REF provides grant funding (subject to Legislative approval) incentivizing the development of qualifying and competitively selected renewable energy projects. The program is designed to produce cost-effective renewable energy for heat and power to benefit Alaskans statewide.

ROUND 17: 18 REFAC*-Recommended Projects Totaling \$21.2 Million



STATEWIDE INVESTMENT

294 Grants Awarded
Totaling \$327 Million



ACTIVE PROJECTS

100+ Projects in Operation
56 in Development



ROUND 15 AWARDS

18 Projects Awarded
\$17 Million Appropriated



ROUND 16 AWARDS

5 Projects Awarded
\$10.5 Million Appropriated

*Note: REFAC is the Renewable Energy Fund Advisory Committee

REF Round 17 Recommended Projects to Legislature



AEA Rank	Community	Project Name	Applicant Name	Technology	Recommended Funding	Energy Region	Senate District	House District
1	Pelican	Pelican Hydro Relicensing Project, Restoration, Repair	City of Pelican, Pelican Utilities	Hydroelectric	\$ 650,474	Southeast	A	2
2	Naknek	Naknek Solar PV on Cape Suwarof	Naknek Electric Association, Inc.	Solar	\$ 3,137,848	Bristol Bay	S	37
3	Skagway	Goat Lake Hydro Storage Expansion Study	Goat Lake Hydro, Inc.	Hydroelectric	\$ 121,250	Southeast	B	3
4	Kwethluk	Nuvista Kwethluk Wind and Battery Project Completion	Nuvista Light and Electric Cooperative, Inc.	Wind	\$ 738,979	Lower Yukon Kuskokwim	S	38
5	Quinhagak	Quinhagak Battery Energy Storage System Project	Alaska Village Electric Cooperative, Inc.	Storage	\$ 443,956	Lower Yukon Kuskokwim	S	38
6	Nenana	Nenana Biomass District Heat System, Final Phase	City of Nenana	Biomass	\$ 1,223,000	Railbelt	R	36
7	Kongiganak	Kongiganak 100 kW Solar Energy Project	Puvurnaq Power Company	Solar	\$ 720,453	Lower Yukon Kuskokwim	S	38
8	Railbelt	Railbelt Wind Diversification Alaska Renewables	Alaska Renewables LLC	Wind	\$ 2,000,000	Railbelt	Various	Various
9	Homer	Homer Energy Recovery Project	City of Homer	Hydroelectric	\$ 280,000	Railbelt	C	6
10	Atmautluak	Atmautluak ETS Installation, Integration and Commissioning	Atmautluak Tribal Utilities	Storage	\$ 286,227	Lower Yukon Kuskokwim	S	38
11	Ketchikan, Petersburg, Wrangell	Southeast Alaska Grid Resiliency (SEAGR)	Southeast Alaska Power Agency (SEAPA)	Hydroelectric	\$ 4,000,000	Southeast	A	1 & 2
12	Chevak	Chevak Battery Energy Storage System Project	Alaska Village Electric Cooperative, Inc.	Storage	\$ 968,644	Lower Yukon Kuskokwim	S	38
13	Pedro Bay	Knutson Creek Hydro Project Construction	Pedro Bay Village Council	Hydroelectric	\$ 400,000	Bristol Bay	S	37
14	Akiachak	Akiachak Native Community 200 kW Solar Energy Project	Akiachak, Ltd	Solar	\$ 67,833	Lower Yukon Kuskokwim	S	38
15	Nome	NJUS Solar Nome Banner Ridge Solar Farm	Nome Joint Utility System	Solar	\$ 4,000,000	Bering Straits	T	39
16	MEA Service Area	Hunter Creek Hydroelectric Feasibility Study Project	Matanuska Electric Association	Hydroelectric	\$ 1,280,500	Railbelt	M	25
17	Chignik	Chignik Hydroelectric Power System	City of Chignik	Hydroelectric	\$ 883,012	Bristol Bay	S	37
18	Sterling	Sterling Solar Project	Utopian Power LLC	Solar	\$ 12,500	Railbelt	D	8
Total					\$ 21,214,676			

**If appropriated by the Legislature and approved by the Governor, this funding would become effective July 1, 2025, for inclusion in the budget for fiscal year 2026.

**Projects highlighted in blue are those projects to be funded under the REF allocation in the Governor's fiscal year 2026 proposed capital budget

Federal Funding – Awards and Pending Applications



#	Awarded and Conditional Awards	Alaska Grant \$	Match \$
1	Grid Resilience and Innovation Partnerships Topic 3 Phase 1	\$ 206,500,000	\$ 206,500,000
2	Preventing Outages and Enhancing the Resilience of the Electric Grid (40101d)	\$ 64,022,556	\$ 9,603,383
3	Solar For All Competition	\$ 62,450,000	\$ -
4	Home Efficiency Rebates Program	\$ 37,368,480	\$ -
5	Home Electrification and Appliance Rebates Program	\$ 37,150,940	\$ -
6	Defense Community Infrastructure Pilot - Black Rapids Training Site	\$ 15,602,648	\$ -
7	Energy Efficiency Revolving Loan Capitalization	\$ 4,782,480	\$ -
8	State Energy Program Funding	\$ 3,661,930	\$ -
9	High Energy Cost Grants (Manokotak) – USDA Rural Utilities Service	\$ 2,000,000	\$ -
10	Vehicle Technology Office Competition Federal Fiscal Year 2022 (ARED)	\$ 1,670,000	\$ 417,500
11	Energy Efficiency and Conservation Block Grant	\$ 1,627,450	\$ -
12	Training for Residential Energy Contractors (TREC)	\$ 1,293,870	\$ -
13	Energy Future Grant	\$ 496,725	\$ -
Total Awards = \$655,147,962		\$ 438,627,079	\$ 216,520,883

#	Application Submitted - Status Pending	Alaska Grant \$	Match \$
1	WaterSMART Grants: Water and Energy Efficiency Grants – Dixon Diversion	\$ 5,000,000	\$ 5,000,000
2	High Energy Cost Grants (Kipnuk) – USDA Rural Utilities Service	\$ 3,000,000	\$ 2,421,306
3	Transmission Acceleration Grants	\$ 2,731,311	\$ -
4	USFS Community Wood Energy and Wood Innovation Program FY 2025	\$ 500,000	\$ 500,000
5	USFS Wood Innovation Grant FY 2025	\$ 150,000	\$ 150,000
6	Energy Improvements in Rural Areas (4 Concept Papers Submitted by AEA)	NA	NA
Total Pending = \$19,452,617		\$ 11,381,311	\$ 8,071,306



Thank You

Alaska Energy Authority
813 W Northern Lights Blvd.
Anchorage, AK 99503
Phone: (907) 771-3000
Fax: (907) 771-3044
akenergyauthority.org

Crown Corporation Governance

An Overview of Principles, Roles, and Best Practices

Presented by: David A. H. Brown

Executive Vice-President, Governance Solutions Inc.

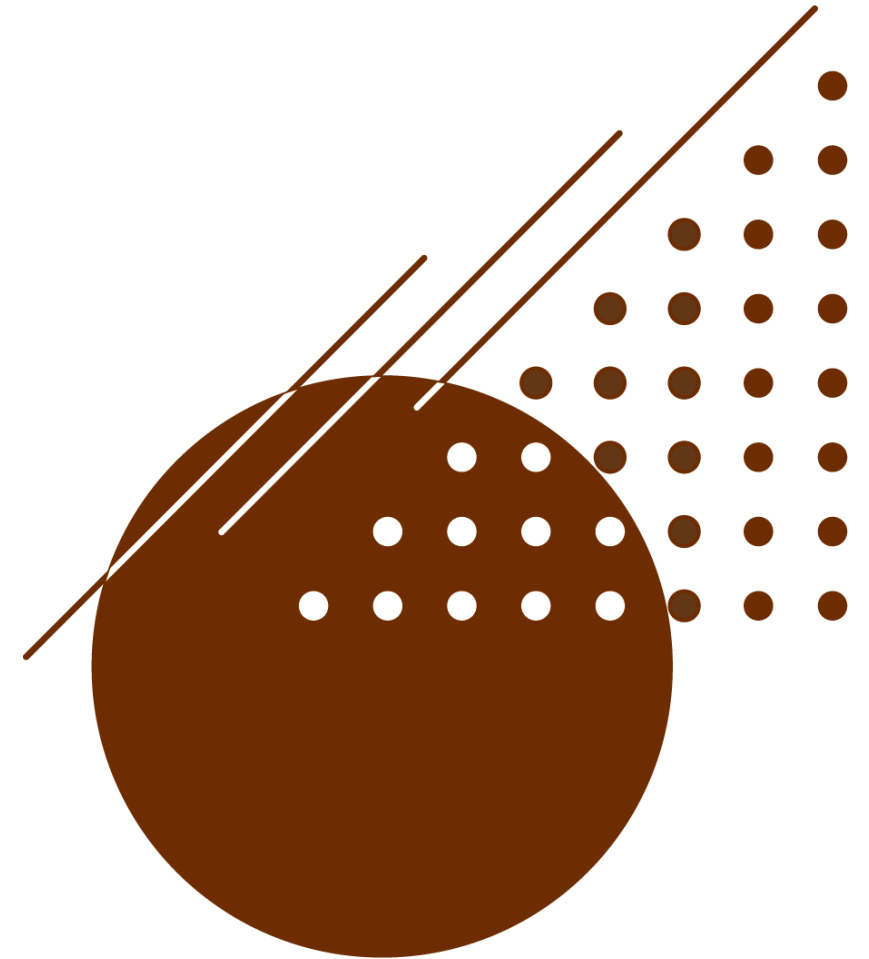
Introduction to Crown Corporations

- Federally or provincially owned entities
- Operate at arm's length from government
- Deliver public policy objectives



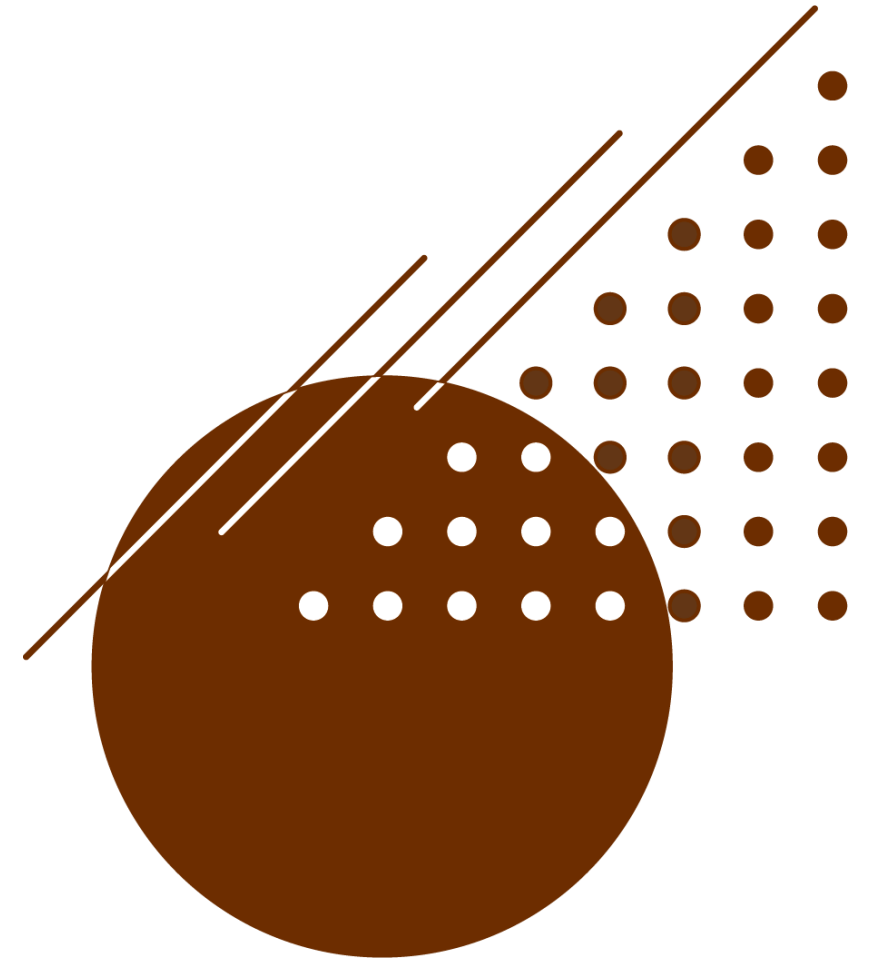
Governance Framework

- Enabling statute and incorporating documents
- Shareholder (Government) directives
- Board of Directors' fiduciary responsibilities
- Treasury Board and Auditor General oversight



Board Structure and Composition

- Appointed by Governor-in-Council
- Independent majority expected
- Diverse skills and backgrounds
- Clear separation of roles (Chair vs. CEO)



Governance is the system by which organizations are directed and controlled

Direction

Control

Strategy Direction
Strategic Plan
Where are we headed?



Strategy Control
The Annual Report
Where are we compared to where we said we would be?

Performance & Risk Direction
Risk Appetites & Tolerances
What obstacles and opportunities might we face along the way?



Performance & Risk Control
Scorecard, Dashboard, Risk/Heat Map
How do we measure up & how well have we mitigated risks & acted on opportunities?

People Direction
CEO Job Description, Performance Mandate, Board & Committee Charters
Who will do what?



People Control
Board and CEO Evaluations
How well did we perform?

Policy Direction
Board and Other Governance Related Policies
What are the boundaries and guidelines?



Policy Control
Policy Compliance, Internal Audit Reports, Minutes
How effective were our policies and what must be updated or adapted?

Resource Direction
Budget, Business Plan
How will we resource our efforts?

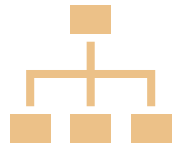


Resource Control
Interim (Quarterly) Financial Statements
How are we doing compared to budget?

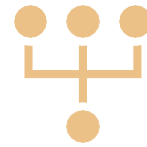
Purview of a Crown Corporation Board



- Strategic direction and performance oversight



- Risk management and internal controls



- CEO selection, evaluation, and succession



- Ensuring alignment with public interest

Accountability Mechanisms

- Annual reports and corporate plans
- Appearances before Parliamentary Committees
- Internal and external audits
- Government reviews and directives



Key Governance Principles

- Transparency and disclosure

- Independence and integrity

- Stewardship and accountability

- Commitment to public service values

Challenges in Governance

A 100% owned subsidiary on the one hand vs arms length commercial objectives on the other

- Balancing autonomy vs. control
- Political vs. business priorities
- Complex stakeholder environment
- Maintaining independence



Best Practices



- Regular board evaluations
- Clear board mandates and charters
- Professional development for directors
- Strong ethical framework and conflict-of-interest policies

Evolving Trends



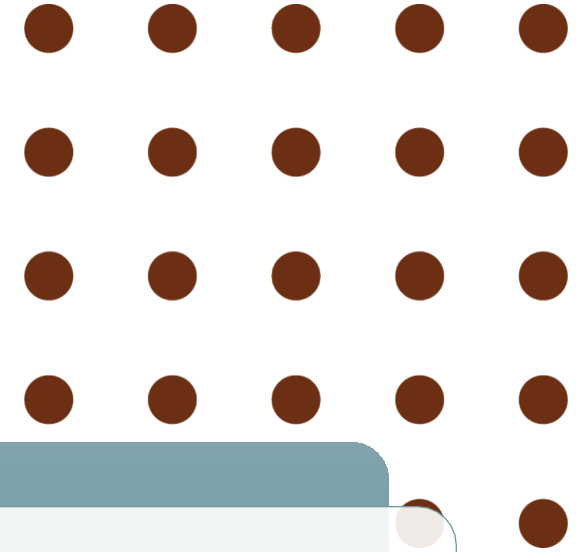
-
- Increased emphasis on ESG (Environmental, Social, Governance)
-
- Digital transformation and cyber risk governance
-
- Greater transparency expectations from the public

Conclusion

Governance in
Crown corporations
is unique and
essential

Strong governance
ensures trust,
performance, and
public value

Ongoing
improvement and
vigilance are
necessary



Crown Corporation Governance

An Overview of Principles, Roles, and Best Practices

Presented by: David A. H. Brown

Executive Vice-President, Governance Solutions Inc.

From: [Tan Crombie](#)
To: [Angus Wilson](#)
Cc: [David Brown](#); [Debra Brown](#)
Subject: RE: NWT Legislative Assembly - Zoom link - study of the NTPC's governance structure
Date: May 6, 2025 14:32:08
Attachments: [Sask Power Policy-TermsOfReference-BoardOfDirectors.pdf](#)
[Board of Directors Charter.docx](#)
[Director Education and Board Development Policy.docx](#)
[Governance and Communications Protocol.docx](#)
[Governance Reform Cases.pdf](#)

Good afternoon Angus,

On behalf of the GSI team, thank you once again for the opportunity to appear before the Committee in support of their study of NTPC's governance structure.

We're pleased to share the following based on questions and discussions at the meeting:

1. Sask Power's Board terms of reference which was publicly available on their website.
2. A link to Sask 's other governance documents which they may find useful as well:
<https://www.saskpower.com/about-us/senior-leadership/board-responsibility>.
3. Three of our own sample documents for your reference.
4. A triple case study of Canadian Crown corporation reform examples. GSI put this together from publicly available sources so please do note the disclaimer in the footnote.

We would welcome any feedback you have for us about the presentation, whether it was helpful for Committee discussions.

If there is anything else we can do to support the Committee's work, please don't hesitate to reach out.

Kind regards,

Tan Crombie, Pro.Dir

Director, Governance Programs

Tel: 1-888-698-3971 | 519-853-8082 | Extension 230

Join us on [LinkedIn](#) | [Facebook](#)

Access [GovernanceSolutions.ca](https://www.governancesolutions.ca)

 Governance Solutions



BOARD OF DIRECTORS

TERMS OF REFERENCE

Approved by the Board of Directors

September 12, 2024

TABLE OF CONTENTS

A. INTRODUCTION.....	3
B. OBJECTIVE AND PRINCIPAL DUTIES.....	3
C. LEGAL AND COMPLIANCE RESPONSIBILITIES.....	5
D. CONSTITUTION.....	5
E. MEETINGS.....	6
F. MINUTES AND REPORTING RESPONSIBILITY.....	7
G. COMMITTEE STRUCTURE.....	7
H. MANAGEMENT RESPONSIBILITIES.....	7
I. ACCESS TO CORPORATE RECORDS.....	8
J. CONFIDENTIALITY.....	8
K. RENEWAL OF TERMS OF REFERENCE.....	8
L. INTERNAL AND EXTERNAL ADVISORS.....	9

A. INTRODUCTION

These Terms of Reference for the Board of Directors (Board) address the principal duties and responsibilities that the Board will discharge as an entity.

There is a corresponding document describing the principal duties and responsibilities of an individual Director.

B. OBJECTIVE AND PRINCIPAL DUTIES

The Board functions as steward of the Corporation and has the statutory authority and obligation to govern the affairs and business to support the long-term viability of the Corporation.

While the fundamental objective of the Board is to act in the best interest of the Corporation, the Board has a responsibility to ensure congruence between shareholder expectations, corporate plans and management performance while managing the interests of customers, employees and stakeholders.

It is important to note that delegation of responsibility by the Board to a Committee does not absolve the full Board from responsibility for a Committee's work or decisions.

The Board Chair is *ex-officio* on all committees and may attend any meeting, as appropriate.

In discharging its obligations, the Board's principal duties are:

1. To provide leadership in setting the Corporation's vision and strategic direction;
2. To approve the Corporation's overall strategic plan, operating budget, performance indicators and the business plans established to achieve them;
3. Ensure that stakeholder concerns are considered in the establishment of the Corporation's long-term priorities;
4. To participate in identifying the principal risks of the business in which the Corporation is engaged, to achieve a proper balance between risks and potential returns and to oversee the implementation of appropriate systems to manage the risks;
5. To review the measures and targets used in management's balanced scorecard, against shareholder priorities, industry trends, and macro socio-economic forces;
6. To evaluate and assess the Corporation's performance and improvements in areas including but not limited to reliability, cost management, customer service, environmental stewardship, safety, workforce excellence, long-term sustainability, stakeholder relations and Indigenous engagement against:

- a. Long-term targets;
 - b. Immediate operating pressures;
 - c. Changing regulatory requirements;
 - d. Changing industry dynamics;
 - e. Rate competitiveness;
 - f. Management of leverage; and
 - g. Capital efficiency.
7. To evaluate and assess the performance of the President and CEO, taking appropriate action as warranted, and to provide for effective succession planning;
 8. To adopt policies and processes to enable effective communication with the shareholder, stakeholders, rightsholders and the public;
 9. To ensure the integrity of the Corporation's internal control and management information systems;
 10. To develop practices to ensure that the Board functions independently of management;
 11. To identify, analyze and adopt if determined to be appropriate emerging governance best practices;
 12. Ensure that the interests of the Corporation is the first priority with respect to managing and declaring conflict of interests;
 13. To satisfy itself as to the integrity of the President and CEO, senior management and as to the culture of integrity throughout the Corporation;
 14. Receive recommendations for potential candidates to the Board and forward to the Crown Investments Corporation; and
 15. Review and approve the appointment of directors to the Boards of the Corporation's subsidiaries.
 16. Set the strategic direction for long-term sustainability of the Corporation along with the appropriate risk management mitigations with consideration of stakeholder obligations.
 17. Consider current and emerging environment, social and governance matters that may affect business performance or the public image of the company.
 18. Ensure transparency in environmental, social and governance impacts and risks.

C. LEGAL AND COMPLIANCE RESPONSIBILITIES

The Board has a responsibility to see that procedures are in place to ensure statutory responsibilities are met, an effective corporate compliance program has been established, and corporate documents and records are properly prepared, approved and maintained.

In performing their duties, members of the Board shall:

1. act honestly and in good faith with a view to the best interests of the Corporation, while taking into account the public policy and business objectives of the Corporation;
2. exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances; and
3. comply with the provisions of the *SaskPower Code of Conduct*, the *CIC Directors' Code of Conduct*, *The Crown Corporations Act, 1993*, and *The Power Corporation Act* as amended or replaced from time to time.

D. CONSTITUTION

The Board shall be comprised of a minimum of ten (10) members, who shall be appointed by the Lieutenant Governor in Council.

Each member of the Board shall continue to be a member of the Board until a successor is appointed.

Where a vacancy occurs at any time in the membership of the Board, it may be filled by the Lieutenant Governor in Council, and the Board may make recommendations respecting appropriate skill sets and individuals to fill the vacancy.

The Lieutenant Governor in Council shall designate a Chair from among the Board members, and may designate another member as Vice Chair. If the Board Chair is not available to attend a meeting of the Board, the Vice Chair shall perform the duties and exercise the powers of the Chair. If both the Chair and the Vice Chair are not available to attend a meeting, when possible in advance of the meeting, the Board Chair will designate one of the Board member for the role of Acting Chair. If neither the Chair nor Vice-Chair are present for a meeting and no member is designated in advance, the Acting Chair of the meeting shall be chosen by the Board from among the members present. The Board will formally appoint the Acting Chair at the beginning of the meeting.

The Chair (including any Acting Chair) presiding at any meeting of the Board shall have a vote in all matters considered by the Board.

The Corporate Secretary to the Board, who need not be a director of the Corporation,

shall be an employee of the Crown Investments Corporation (CIC).

E. MEETINGS

The time and place of meetings of the Board and the procedures at such meetings shall be determined from time to time by the members of the Board, provided that:

1. A quorum for meetings shall be 50% plus one (1) of the members of the Board, present either in person or by telephone or other telecommunications device that permits all members participating in the meeting to speak to and hear each other;
2. The Board shall meet a minimum of four (4) times a year;
3. The Chair shall, in conjunction with management, establish the agenda for the meeting;
4. Reasonable notice, shall be given in writing or electronically to each member of the Board and the agenda and associated material shall be sent to each member of the Board prior to the time for such meeting, preferably seven (7) days before the meeting;
5. A member may in any manner waive a notice of meeting, and attendance of a member at a meeting is a waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called;
6. A meeting of the Board may be called by the Secretary of the Board on the direction of the Chair of the Board, the President and CEO or by any two (2) members of the Board;
7. The President and CEO or designate may be present at meetings of the Board; the Board shall at all times have the right to determine who, in addition to the President and CEO or designate, will be present at any part of the meetings of the Board. The Board shall conduct in-camera sessions as required;
8. A Board member will excuse herself/himself from any discussion about matters regarding which the director has a conflict of interest; and
9. A resolution circulated in writing (including by electronic means) and agreed to by signature (including electronic signature) by all members of the Board entitled to vote on that resolution is as valid as if it had been passed at a meeting of the Board of Directors duly called and constituted.

F. MINUTES AND REPORTING RESPONSIBILITY

1. All recommendations, decisions and directives of the Board shall be recorded by the Secretary in the minutes of the meeting.
2. A draft copy of the minutes of each meeting, as approved by the Board Chair, shall be circulated to the Board and the President and CEO prior to the next following Board meeting. Following approval of the minutes of the meeting by the Board as a whole, if substantive revisions have been made to the draft minutes, the minutes approved by the Board shall be circulated to the Board.

G. COMMITTEE STRUCTURE

The Board has statutory authority to appoint any committees that it considers necessary for the efficient conduct of the affairs and business of the Corporation and to prescribe the duties of any committee it appoints.

The SaskPower Board establishes the following Committees of the Board:

1. Audit & Finance;
2. Governance & Human Resources;
3. Safety, Environment & Corporate Responsibility; and
4. Nuclear Energy.

The Board shall appoint the members of each Committee by resolution of the Board, and appoint a Chair of each Committee from among its members, all in accordance with the Committee's Terms of Reference.

H. MANAGEMENT RESPONSIBILITIES

The Board discharges its obligations directly, through recommendations it receives from Committees of the Board and by delegating certain of its powers to officers and employees of the Corporation.

Management is responsible for the day-to-day operations of the Corporation, acting within approved Board policies and directives and consistent with the priorities of the shareholder.

In general terms, the Board expects that management will:

1. Develop a vision and philosophy for the Corporation with strategic and operational plans to achieve the vision;

2. Establish, prioritize and achieve corporate strategies, budgets, business plans and performance indicators;
3. Identify, prioritize and manage the principal risks to the Corporation;
4. Appoint, train, motivate, monitor and evaluate employees, and develop an effective succession plan;
5. Propose and implement policies and processes to enable effective communication with the shareholder, stakeholders and the public;
6. Design and implement policies and procedures to ensure the integrity of the Corporation's internal control and management information systems;
7. Provide accurate, complete and timely information to the Board to enable it to discharge its obligations and meet its governance and legal responsibilities;
8. Establish and implement procedures to ensure statutory responsibilities are met, an effective corporate compliance program is in place, and corporate documents and records are properly prepared, approved and maintained; and
9. Ensure compliance with significant policies and procedures by which the Corporation is operated.

I. ACCESS TO CORPORATE RECORDS

In performing any of its duties and responsibilities, the Board shall have access to any and all books and records of the Corporation required for the execution of the Board's obligations and, as necessary, shall discuss with appropriate corporate officers and employees such records and other relevant matters.

J. CONFIDENTIALITY

All deliberations of the Board, and all corporate records, material and information obtained by a member of the Board and not generally available to the public, shall be considered confidential.

Board members shall maintain the confidentiality of such deliberations, and shall safeguard such records and information from improper access.

K. RENEWAL OF TERMS OF REFERENCE

In conjunction with the Governance & Human Resources Committee, the Board shall review its Terms of Reference annually and make revisions where appropriate.

L. INTERNAL AND EXTERNAL ADVISORS

If, in order to properly discharge its functions, duties and responsibilities, it is necessary, in the opinion of the Board, that the Board or any Committee of the Board obtain the advice and counsel of internal or external advisors, the Board shall engage the necessary advisors.

Board of Directors Charter

Mandate

- The Board of Directors (the “Board”) of [Name of Corporation] oversees the conduct of the business and affairs of the corporation, supervises its Management and uses reasonable efforts to gain reasonable assurance that all major issues affecting the corporation are given appropriate consideration. It is accountable to the member(s) to establish procedures for good corporate governance and to achieve the corporation’s mission/vision/purpose.
- The Board provides an effective means of accountability for [Name of Corporation] in matters of moral conduct, legal operation, financial controls and reporting of company results.
- The Board shall have the full powers of the Corporation, including full power to make all Bylaws and regulations not inconsistent with the Act. All Bylaws and amendments to Bylaws shall be presented to the next meeting of the members and notice of all such Bylaws or amendments shall be given in the notice of meeting.
- Every director, in exercising his or her powers and discharging his or her duties, shall:
 - i. Act honestly and in good faith with a view to the best interests of the Corporation;
 - ii. Exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances; and
 - iii. Comply with the Act, these Bylaws and any policies adopted by the Board.

Composition

The Board consists of:

- The number of Directors as determined from time to time by the Board, in accordance with the Corporation’s articles, bylaws and applicable laws
- Members who have, to the extent feasible, diverse backgrounds.
- Members with the requisite experience and expertise to populate the three core committees of the board – Audit & Finance Committee, Governance & Nominating Committee, and Human Resources & Compensation Committee.

The Board may:

- By resolution, adopt a policy governing the election process for elected directors, including the form and process for nominations and balloting.
- Approve a profile of desired attributes, competencies, and qualifications for directors from time to time, and both appointers and members are encouraged to select directors guided by this profile.

Board governing principles:

- The Board of Directors is elected from among the persons nominated by the Governance & Nominating Committee by the affirmative vote of the majority of the voting members in good standing represented at the meeting.
- Each Director shall hold office for a term of three years and until his or her successor shall have been duly elected and qualified, or until his earlier resignation, or removal by the members or death.
- The terms of the various Directors shall be staggered such that, to the extent possible, an equal number of directors shall be elected each year.
- Directors may serve for a maximum of three terms and then may be eligible to serve again after one year's absence.
- The office of Director shall be automatically vacated:
 - If a Director resigns his or her office by delivering a written resignation to the Corporate Secretary;
 - If he or she is found to be a mentally incompetent or become of unsound mind;
 - If he or she becomes bankrupt or suspends payment or compounds with his or her creditors;
 - On death; or
 - A resolution is passed by two-thirds (2/3) of the members present at the meeting that he or she be removed from office.
- Directors will be considered to have tendered their resignation if they miss three consecutive Board meetings without a compelling reason.
- The Board may set other standards expected of directors and criteria for removal of directors.
- By a vote of three-fourths (3/4) of the Board members, a director may be removed, or the Board may decide to make an exception to (waive) any aspect of this policy.
- If the election of Directors is not held on the day designated in [Name of Corporation]'s bylaws for any Annual Meeting of Members, or at any adjournment thereof, the Board may cause the election to be held at a special meeting of members specifically called for that purpose.
- A substantial portion of the analysis and due diligence work of the Board is done by standing Board committees.

If an elected director ceases to be a director for any reason, the Board may, if it considers necessary, fill the vacancy until the next annual meeting of the members; then a director shall be elected to hold office for either the second year remaining in that term, or a new full term, depending on the unexpired term of that director.

The objective is to stagger the terms of directors so that approximately an equal number of directors' terms of office expire at each annual meeting.

Authority

The Board has the authority to:

- Discharge its responsibilities directly through its committees and through management;
- Regularly review corporate objectives so that they continue to be responsive to the changing business environment in which the corporation operates;
- Retain, at [Name of Corporation]'s expense, special compensation, legal or other consultants or experts it deems necessary in the performance of its duties. ;
- Request [Name of Corporation]'s consultants or management to attend meetings and provide pertinent information, as necessary; and
- Protect and enhance the assets of the Corporation in the interest of all members.

Duties & Responsibilities

1. Responsibilities related to Governance and Stewardship: The Board will:

- Oversee corporate performance and provide quality, depth and continuity of Management to meet the corporation's strategic objectives;
- Delegate to Management the authority (approval and reporting authority levels) to manage the Corporation's day-to-day business, while reserving the ability to review Management decisions;
- Adopt a strategic planning process and shall approve, on an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of the business.
- Approve budgets and policies, oversee risk and delegate authorities;
- Make strategic level decisions appropriate to governance;
- Confirm and maintain corporate direction (as initially developed and recommended by the CEO);
- Monitor performance against the objectives set and authority levels;
- Oversee the corporation's financial reporting and disclosure;
- Appoint officers and review the CEO's performance at least annually;
- Approve changes in the by-laws of the corporation and submit them to the members for approval;

- Approve policies, procedures and systems for implementing strategy, manage risk, and gain reasonable assurance the integrity of the Corporation's internal control and management information systems;
- Take action when performance falls short of its goals or when other special circumstances (for example mergers and acquisitions or changes in control) warrant it.
- Develop the Corporation's approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the Corporation.
- Approve and monitor compliance with all significant policies, procedures and internal control and management systems by which the Corporation is operated.
- Gain reasonable assurance that the Corporation operates at all times within applicable laws and regulations, and to high ethical and moral standards.

2. Responsibilities related to CEO and Management: The Board will:

- Retain the responsibility for managing its own affairs, including planning its composition, selecting its Chair, nominating candidates for election to the Board, appointing Committees and determining Director compensation.
- Appoint and replace the Chief Executive Officer ("CEO") of the Corporation, monitor CEO performance, determine CEO compensation, and provide advice and counsel in the execution of the CEO's duties.
- Approve the appointment and remuneration of all corporate officers, acting upon the advice of the CEO.
- Satisfy itself as to the integrity of the CEO and the other executive officers and that the CEO and other executive officers create a culture of integrity throughout the Corporation.
- Gain reasonable assurance that adequate provision has been made for management succession (including appointing, training and monitoring senior management).

3. Responsibilities related to Legal Duties and Reliance: The Board will:

- Be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by:
 - i. One or more officers or employees of [Name of Corporation] whom the director reasonably believes to be reliable and competent in the matters presented;
 - ii. Counsel, public accountants or other persons as to matters which the director reasonably believes to be within such person's professional or expert competence; or
 - iii. A committee of the Board, as to matters within its designated authority, which committee the director reasonably believes to merit confidence.

- Not be considered to be acting in good faith if they have knowledge concerning the matter in questions that would cause such reliance described above to be unwarranted.
- Gain reasonable assurance that legal requirements, documents and records have been properly prepared, approved and maintained.

4. Responsibilities related to Reporting to Members: The Board will:

- Adopt a communications policy for the Corporation, including adopting measures for receiving feedback from members and stakeholders.
- Gain reasonable assurance that the financial performance of the Corporation is reported to members on a timely, regular and non-selective basis.
- Gain reasonable assurance that the financial results are reported fairly, and in accordance with generally accepted accounting principles.
- Have the responsibility for timely and non-selective reporting of any other developments that have a significant and material impact on the value of the members' assets.
- Report annually to members on its stewardship for the preceding year.
- Approve any payment of dividends to members.

Governance Process and Meetings

Responsibilities related to Governance Process: The Board will:

- Establish a schedule of meetings each year in order to discharge its responsibilities.
- Meet regularly, not less than four times per year, and at such other times as may be requested by the Chair.
- Have the Chair set the agenda and the annual timetable which shall then be circulated among the Committee members. Ordinarily the Chair will set the agenda in consultation with the CEP;
- Send an agenda, together with materials relating to the subject matter of each meeting.
- Communicate its expectations to management with respect to the nature, timing and extent of its information needs. The Board expects that written materials will be received from management at least one week in advance of meeting dates.
- Deliver by email or electronic meeting invitation, a notice of meeting at least one week prior to the meeting.
- Meet in person and/or by teleconference. A majority of members of the Board constitutes a quorum.
- Determine and ensure the appropriate use of in camera sessions at Board meetings. The CEO, even if not a board member, has the right to attend and have voice at all board and

committee meetings with the exception of executive sessions specifically dealing with the CEO or governance matters.

- Endeavour to make decisions by consensus.
- Prepare minutes for all meetings to document the Board's discharge of its responsibilities.
- Circulate in draft form, the minutes to all Board members to ensure an accurate final record which will be approved at a subsequent meeting of the Board and will distribute these minutes to the full Board of Directors.
- Review and update this Charter on a regular basis;
- Gain reasonable assurance the Board receives education and training as necessary to enable it to fulfill its mandate effectively.
- Develop and approve an annual Board budget.
- From time to time, as requested by the Board, disclose its Mandate and this Charter in the Corporation's statement of corporate governance practices and in its annual information form.
- Review the description of the Board's activities as set forth in the Corporation's statement of corporate governance practices.
- Evaluate its own performance periodically and develop criteria for such evaluation.

Review

To be reviewed annually by Governance & Nominating Committee.

Members

Name & Title	Committee Role	Contact Information	Date of Election or Appointment	Date of Expiry or Term

APPENDIX A

Drawing the Line Between Board and Management

The following examples are given to illustrate the line between Board and Management. Of course, no list of this sort can be comprehensive, and the line may shift from time to time, but this should assist the Board and Management in differentiating their due diligence activities. The format follows the core due diligence activities of agency/reform governance.

Function	Board Responsibility	Management Responsibility
Strategic Planning	<ul style="list-style-type: none"> • Develop Values, Vision and Mission, in conjunction with Management • Consult with Management in drafting of Goals and Objectives • Review and Approve Strategic Plan including all items (Goals, Objectives, Strategies, Measures) • Monitor implementation of Strategic Plan focusing on Measures of results (performance driven, not activity driven; long term strategic benchmarks vs. short term) • Review and approve any multi-year, capital or operational plans and budgets, and any amendments to them, or material deviations from them, ensuring consistency with vision and mission 	<ul style="list-style-type: none"> • Develop Values, Vision and Mission, in conjunction with Board • Develop Goals and Objectives in consultation with Board • Develop Strategic Plan, including Objectives, Strategies and Measures, for Board approval • Implement Strategic Plan, within Board-approved parameters and Budget • Develop and implement operational plans
Policy Development	<ul style="list-style-type: none"> • Approve and gain reasonable assurance the implementation of strategic and operational policies within which Management will operate in relation to: acquisitions, research and development, finance and investment, risk management, human resources, codes of conduct, significant shareholder relationships, management reporting and information 	<ul style="list-style-type: none"> • Develop and recommend strategic and operational policies within which Management will operate • Operate within approved policies or seek exceptions to policy where required
Board Committees	<ul style="list-style-type: none"> • Develop effective board governance processes and procedures, including establishing board committees and ensuring the committees are effectively composed and functioning. • Approve items submitted to the Board by committees as outlined in the committee charters 	<ul style="list-style-type: none"> • Support and inform the work of the committees

Function	Board Responsibility	Management Responsibility
Risk Management	<ul style="list-style-type: none"> • Understand strategic risks facing XYX Corporation. • Develop risk tolerances, in conjunction with Board Committees and Management • Monitor risk management, focusing on results and performance benchmarked against approved tolerances 	<ul style="list-style-type: none"> • Identify strategic risks facing XYX Corporation. • Develop risk tolerances, in conjunction with Board • Assess and manage strategic risks facing XYX Corporation. • Report to Board (and/or Board Committees) on management of risks, using approved tolerances as benchmarks
Succession	<ul style="list-style-type: none"> • Gain reasonable assurance the effective renewal of the board including reviewing the board's size, independence, skills, succession, functioning and development • Recruit and monitor the CEO • Satisfy itself that a process is in place with respect to the appointment, development, evaluation and succession of senior Management 	<ul style="list-style-type: none"> • Recruit and monitor all other staff • Develop and implement a process with respect to the appointment, development, evaluation and succession of senior Management
Delegation of Authority	<ul style="list-style-type: none"> • Make decisions about all aspects of employing the CEO • Delegate to the CEO the authority (specific approval and reporting authority levels) to manage and supervise the business of the corporation, including making of all decisions regarding the corporation's operations that are not specifically reserved for the Board 	<ul style="list-style-type: none"> • Supervise the business and affairs of the Corporation • Delegate approval and reporting authority levels throughout the corporation • Obtain approval for any decision that will result in a material deviation from Board approved strategic, business or operational plans or policies
Compensation	<ul style="list-style-type: none"> • On the recommendation of the Corporate Governance Committee, compensate directors • On the recommendation of the Corporate Governance Committee, establish procedures for reviewing the performance of the CEO • Satisfy itself that executive compensation is linked appropriately to corporate performance 	<ul style="list-style-type: none"> • Direct dealings with staff in all HR and compensation issues • Set compensation levels for all other staff
Performance Management	<ul style="list-style-type: none"> • Review and approve proposed performance indicators • Monitor performance management, focusing on performance results benchmarked against targets and peers 	<ul style="list-style-type: none"> • Identify key performance indicators based on planned results in key risk/goal areas • Report to Board on performance indicators, using actual performance results benchmarked against targets and peers

Function	Board Responsibility	Management Responsibility
Evaluation	<ul style="list-style-type: none"> • Approve procedures (recommended by the Corporate Governance Committee) to exercise oversight of the evaluation of the Board and management. • Gain reasonable assurance the performance evaluation of the CEO, board and board committees 	<ul style="list-style-type: none"> • Evaluate the performance of all levels of employee below the CEO
Contracting	<ul style="list-style-type: none"> • Authorize, execute or enter into (on behalf of the Corporation) any contract or transaction, the performance of which will require the expenditure or result in an actual or contingent liability of the Corporation for an amount exceeding \$XXX • Authorize, execute or enter into any material contracts out of the ordinary course of business 	<ul style="list-style-type: none"> • Authorize, execute or enter into (on behalf of the Corporation) any contract or transaction, the performance of which will require the expenditure or result in an actual or contingent liability of the Corporation up to \$XXX • Authorize, execute or enter into any non-material contracts or those contracts that occur in the ordinary course of business
Financial Oversight	<ul style="list-style-type: none"> • On recommendation of the Audit Committee, approve any annual or interim quarterly financial statements of the Corporation • On recommendation of the Audit Committee, approve any change in the accounting policies or practices of the Corporation • On recommendation of the Audit Committee, validate the effectiveness of internal controls and information received by the Board 	<ul style="list-style-type: none"> • Prepare any annual or interim quarterly financial statements of the Corporation • Select the accounting policies and practices of the Corporation • Select and gain reasonable assurance the effectiveness of internal controls and information systems • Attain and report on board approved financial targets and budgeted projections
Disclosure	<ul style="list-style-type: none"> • Approve the Corporation's communications plan or policy including the extent of disclosure 	<ul style="list-style-type: none"> • Develop and implement the Corporation's communications plan or policy and disclosures
Member Communications	<ul style="list-style-type: none"> • Satisfy itself that effective communication is in place between the Board and the Corporation's members, other stakeholders and the public. • Review criteria for the evaluation of member and other legitimate stakeholder expectations so that they remain relevant to changing circumstances 	<ul style="list-style-type: none"> • Proactively communicate with the shareholder(s), stakeholders and the public on behalf of the Corporation

APPENDIX B

Independence Standards

An independent Director is one whom the Board affirmatively determines has no material relationship with the Company (either directly or as a partner, shareowners or officer of an organization that has a relationship with the Company). The Board of Directors has adopted the following categorical standards to assist it in the determination of each Director's independence. The Board of Directors will determine the independence of any Director with a relationship to the Company that is not covered by these standards and the Company will disclose the basis of such determinations and the identity of all directors who have been determined to be independent in the Company's annual proxy statements.

A Director will be presumed to be independent if the Director:

1. Has not been an employee of the Company for at least three years, other than in the capacity as a former interim Chairman, Chief Executive Officer or other executive officer;
2. Has not, within the past three years, worked on the Company's audit as a partner or employee of a firm that is the Company's internal or external auditor, and is not a current partner or employee of such a firm;
3. Has not, during the last three years, been employed as an executive officer by a company for which an executive officer of the Company concurrently served as a member of such company's compensation committee;
4. Has no immediate family members (i.e., spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law and anyone (other than domestic employees) who shares the Director's home) who did not satisfy the foregoing criteria; provided, however, that, with respect to the employment criteria, such Director's immediate family member may (i) currently serve or have served as an employee (other than as a partner) in a firm that is the Company's internal or external auditor, unless such family member has personally worked on the Company's audit during that time; and (ii) currently serve or have served as an employee but not as an executive officer of the Company during such period;
5. Has not received, and has no immediate family member who has received, during any twelve-month period within the last three years, more than \$120,000 in direct compensation from the Company (other than director and committee meeting fees and pension or other deferred compensation for prior service, provided that such compensation is not contingent in any way on continued service); provided, however, that neither compensation received by a Director for former service as an interim Chairman or CEO or other executive officer nor compensation received by a Director's immediate family member for service as a non-executive employee shall be considered in determining independence;
6. Is not a current executive officer or employee, and has no immediate family member who is a current executive officer, of a company that made payments to, or received payments from, the Company for property or services in any of the last three fiscal years in an amount which, in any single fiscal year, exceeds the greater of \$1 million, or 2% of such other company's consolidated gross revenues as measured against the most recent completed fiscal year;

7. Has not been, and has no immediate family member who has been, an executive officer of a foundation, university, non-profit trust or other charitable organization, for which charitable contributions from the Company and its respective trusts or foundations, account or accounted for more than 2% or \$1 million, whichever is greater, of such charitable organization's consolidated gross revenues, in any single of the last three fiscal years, unless the Company discloses all contributions made to the recipient organization in its annual proxy statement; and
8. Does not serve, and has no immediate family member who has served, as an executive officer or general partner of an entity that has received an investment from the Company or any of its subsidiaries, unless such investment is less than \$1 million or 2% of such entity's total invested capital, whichever is greater, in any of the last three years.

In addition to the foregoing, in order to be considered independent for purposes of serving on the Company's Audit and Finance Committee, a member of the Audit and Finance Committee may not, other than in his or her capacity as a member of the Audit and Finance Committee, the Board of Directors, or any other Board committee:

1. Accept, directly or indirectly, any consulting, advisory or other compensatory fee from the Company or any subsidiary of the Company, other than in the Director's capacity as a director or committee member or any pension or other deferred compensation for prior service, provided that such compensation is not contingent in any way on continued service; or
2. Be an "affiliated person" of the Company or any subsidiary of the Company, as such term is defined by the Canadian Securities Administrators.

APPENDIX C

Desirable Characteristics of Directors

Personal Characteristics

- **Integrity and Accountability:** High ethical standards, integrity and strength of character in his or her personal and professional dealings and a willingness to act on and be accountable for his or her decisions.
- **Informed Judgment:** Demonstrate intelligence, wisdom and thoughtfulness in decision-making. Demonstrate a willingness to thoroughly discuss issues, ask questions, express reservations and voice dissent.
- **Financial Literacy:** An ability to read and understand balance sheets, income and cash flow statements. Understand financial ratios and other indices for evaluating Company performance.
- **Mature Confidence:** Assertive, responsible and supportive in dealing with others. Respect for others, openness to others' opinions and the willingness to listen.
- **High Standards:** History of achievements that reflect high standards for himself or herself and others.

Core Competencies

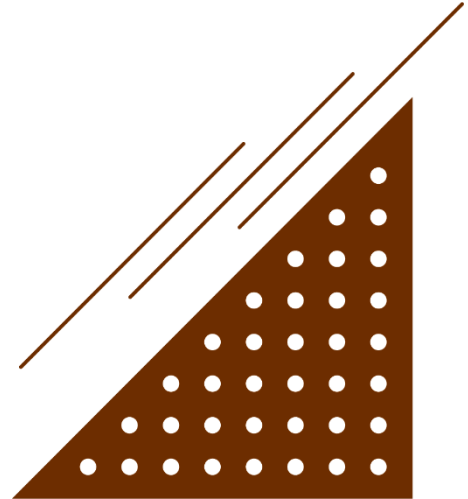
- **Accounting and Finance:** Experience in financial accounting and corporate finance, especially with respect to trends in debt and equity markets. Familiarity with internal financial controls.
- **Business Judgment:** Record of making good business decisions and evidence that duties as a Director will be discharged in good faith and in a manner that is in the best interests of the Company.
- **Management:** Experience in corporate management. Understand management trends in general and in the areas in which the Company conducts its business.
- **Crisis Response:** Ability and time to perform during periods of both short-term and prolonged crisis.
- **Industry/Technology:** Unique experience and skills in an area in which the Company conducts its business, including science, manufacturing and technology relevant to the Company.
- **International Markets:** Experience in global markets, international issues and foreign business practices.
- **Leadership:** Understand and possess skills and have a history of motivating high-performing, talented managers.
- **Strategy and Vision:** Skills and capacity to provide strategic insight and direction by encouraging innovations, conceptualizing key trends, evaluating strategic decisions, and challenging the Company to sharpen its vision.

Commitment to the Company

- **Time and Effort:** Willing to commit the time and energy necessary to satisfy the requirements of Board and Board Committee membership. Expected to attend and participate in all Board meetings and Board Committee meetings in which they are a member. Encouraged to attend all annual meetings of members. A willingness to rigorously prepare prior to each meeting and actively participate in the meeting. Willingness to make himself or herself available to management upon request to provide advice and counsel.
- **Awareness and Ongoing Education:** Possess, or be willing to develop, a broad knowledge of both critical issues affecting the Company (including industry-, technology- and market-specific information), and director's roles and due diligence activities (including the general legal principles that guide board members).
- **Other Commitments:** In light of other existing commitments, ability to perform adequately as a Director, including preparation for and attendance at Board meetings and annual meetings of the members, and a willingness to do so.
- **Stock Ownership:** Complies with the Company Executive and Director Stock Ownership Requirements.

Team and Company Considerations

- **Balancing the Board:** Contributes talent, skills and experience that the Board needs as a team to supplement existing resources and provide talent for future needs.
- **Diversity:** Contributes to the Board in a way that can enhance perspective and experiences through diversity in gender, ethnic background, geographic origin, and professional experience (public, private, and non-profit sectors). Nomination of a candidate should not be based solely on these factors.



About Governance Solutions

Governance Solutions Inc. has been trusted for over 30 years by organizations to provide superior governance solutions. Solutions like: The Professional Director Certification Program®, BoardConnex® the latest in smart board portals, The Board and CEO Evaluation Solutions, strategic planning and The Scorecard Solution, Director Profile, governance best practices research, and consulting.

Our expertise spans the globe and sectors. You can count on Governance Solutions to provide independent, affordable, superior, accessible, customizable, professional, governance solutions. You can build, organize, educate, leverage, evaluate and optimize your governance with our integrated portfolio of governance products and services. Governance Solutions delivers tools, online resources, benchmarking, knowledge, and advice based on a unique blend of experience, research, and user-friendly technology.

Governance Solutions helps organizations strengthen their governance practices. We understand your challenges and are trusted by leading organizations around the globe because our entire leadership team has deep experience. Each has walked in your shoes as CEOs and Board members and has many years of substantive dialogue with governance leaders. Your board members and senior executives responsible for governance will be empowered by our principle-based approach.

Contact us

1-888-698-3971 or info@governancesolutions.ca

Director Education and Board Development Policy

General Information

The purpose of this policy is to set and communicate the expectations and culture for director education and board development as it relates to board membership at [insert organization name]. This policy applies to all current and new board members and to the board of directors in general.

The objective of the policy is to equip board members to add value to the organization, provide effective oversight and fulfill their fiduciary responsibilities to the organization to act loyally in good faith, with reasonable care, diligence and skill.

While it is expected that board members will possess sufficient knowledge, experience and expertise at the time of joining the board, it is recognized that they will not necessarily be experts in all aspects of our industry or in governance. As such, continuous learning and education is a key driver of director and board effectiveness, and an ongoing responsibility of individual board members, the Board, management and the organization.

The Policy

The board of directors and individual board members of [insert organization name] shall take part in board orientation, an ongoing director education and board development program and training sessions.

Policy Statements

In carrying out their duties, board members of (insert organization name) shall:

- A. **Mandatory Orientation:** The Governance Committee in collaboration with the CEO and the Corporate Secretary will design and maintain an in-depth orientation program for new board members. The orientation program will provide baseline knowledge to:
- Enable new board members to actively contribute to the work of the Board; and
 - Build understanding of the organization, its strategic plan, its industry, and the environment within which it operates.

The orientation should be standardized to ensure consistency among directors, while taking into account the unique mix of skills, experience, education, and knowledge of everyone taking part in the program. To ensure comprehensiveness and maximize understanding and lasting impact, orientation will consist of an initial meeting followed by the delivery of information over a scheduled period.

All new board members are expected to receive orientation materials and attend the initial board orientation meeting within the first two months of joining the Board.

a. **Onboarding:** At a minimum the compulsory orientation program should:

- Provide each new board member with an understanding of the formal governance structure, the bylaws and other governing documents, the role of the Board, its supporting committees, and the expectations with respect to individual board member performance;
- Build an understanding of the organization's nature; its operations and working environment including the organization's programs and services and summary details of the organization's principal assets, liabilities, major contracts and major stakeholders; the organization's structure; the organization's major risks and its risk management strategy; key performance indicators; operational or regulatory constraints; and requirements for reporting and public disclosure;
- Build a link with the individuals who make up the organization, including opportunities to meet and get to know fellow board members, meetings with senior management and site visits to view the organization's operations;
- Build an understanding of the organization's main relationships, for example, with government, funders, customers, and other key representatives who deal with the organization; and
- Provide a comprehensive set of written briefing materials that board members may use as reference materials. These include biographical and contact information for all board members and the executive team; all governing Acts, regulations, bylaws; all governance policies; the current strategic plan; the current annual board work-plan; the most recent annual and/or quarterly financial and accountability reports; an explanation of the organization's key performance indicators; a summary of Directors' & Officers' liability insurance and indemnities; details of any major litigation involving the organization; minutes of the last year's board meetings; details of board committees and copies of the minutes from the last 3-6 meetings if a new board member will be joining a specific committee; a schedule of dates for upcoming board and committee meetings; and website references.
- Train on where and how to access board information including board portals and any other technological tools accessible to and necessary for board members.

b. **Pre-orientation:** All individuals considering or being considered to serve on the board of [insert organization name] must receive valuable background information sufficient to:

- Assist them in understanding if they can meet the time and level of commitment required of a member of the board;
- Ensure they have sufficient clarity on the expectations, committee service, and governance role of a board member of [insert organization name];
- Gain insight into the organization’s mission, values and the competencies needed to be a Board Director;
- Clarify the process for obtaining a seat on the board of [insert organization name]; and
- Answer any questions they may have BEFORE they agree to let their name stand for a position on the board of [insert organization name].

B. **Director Education:** The importance of professional and ongoing director education is a means of strengthening the effectiveness of individual directors and by extension the board and the organization. Therefore, we believe each board member is responsible for their ongoing director education and the organization should support directors in their pursuit. The Governance Committee and Corporate Secretary are available to make learning recommendations.

a. **Director Education:** (For Individual Board Members) Ongoing director education includes both formal and informal learning opportunities. Board members are encouraged to seek out external formal learning opportunities. Additionally, the Corporate Secretary shall make board members aware annually and from time to time about relevant courses and other external formal and informal educational opportunities.

- **Formal**

1. Board members, who may not already possess a director post-nominal designation, are encouraged to obtain such from a recognized Canadian or international accrediting body, such as, The Professional Director Institute, The Director’s College or The Institute of Corporate Directors.
2. Board members who do not have a strong financial background are encouraged to seek out opportunities for financial essentials training to develop a level of comfort and competence with financial statements and the financial discussions and decision-making relevant to a board of directors.

- **Informal**

1. Board members will gain value in informal learning achieved through external sources such as membership in relevant professional organizations, subscriptions to relevant newsletters and journals and attendance at relevant seminars or conferences.

2. The organization shall support the most cost-effective arrangement for memberships for each director in an organization committed to corporate governance and director professionalism.
 3. The Corporate Secretary shall from time to time provide relevant governance articles, magazines, websites or book summaries accompanied by management commentary on the implications for the organization as part of board and committee packages to enable self-study by board members.
- b. **Board Development** (For the Whole Board) The Board recognizes the value of group learning toward team-based development and decision-making. By providing equal information to all board members on important subjects, board members interact on key issues and pending decisions in the context of their role and responsibilities as a Board. As such the Board shall establish a board development program annually. In developing this program, the Governance Committee and the Corporate Secretary shall:
1. poll board members as a means of identifying topics or ongoing and emerging issues in the functional areas of the Board where they believe there is a need to strengthen skills and knowledge (for example: corporate governance, audit, risk management, real estate and development, cybersecurity, AI);
 2. reflect on key strategic directions of the organization, major decisions on the horizon, appropriate and significant risk management themes and the environment where the organization operates; and
 3. prioritize topics for focused education sessions at regular board meetings, special meetings or retreats devoted to education, or other suitable events.

The board development program shall include:

- Regular presentations by management and staff to the Board and committees to keep them informed of changes in the organization’s legal, regulatory and industry requirements and standards;
 - Site visits; and
 - External resources and presentations by outside experts to the Board or committees on matters of particular importance or emerging significance (for example, specialist risks).
- c. **Annual Planning and Reporting**
- The Governance Committee will prepare and recommend a budget allocation to support effective director education and board development
 - Each board member shall report on their formal and informal director education activities to the Governance Committee

- The Governance Committee shall provide the Board with an annual report on the educational and development activities completed by the Board and by each board member
- The Governance Committee shall publicly disclose the steps taken to comply with this policy to its stakeholders in the organization’s annual report.

Policy Oversight

The Governance Committee is responsible for implementing and enforcing this policy, with the support and assistance of the Corporate Secretary who maintains records and prompts consideration.

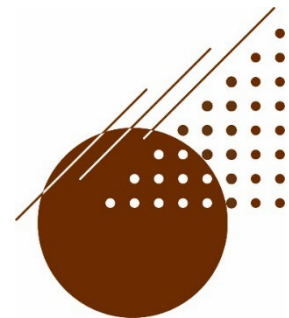
To encourage continuing director education, the organization will reimburse Board Members for reasonable costs of attending director education programs under this Policy. Amounts reimbursed include program fees, travel, accommodations, and meal expenses, provided that the total amount for all fees and expenses will not exceed approved budgets in each fiscal year, and as follows:

- The expenditure is pre-approved by the Chair of the Board or the Chair of the Governance Committee;
- The expenditure is directly related to organizational governance, board effectiveness, or the business and operations of the organization;
- All requirements are met from the approved Board Reimbursement of Expense Policy;
- Course, seminar and conference attendance is cost effective;
- Research, fact-finding, study and related trips abroad are discouraged where there are more cost-effective means of gathering information and knowledge; and
- The board member provides a written report to the Governance Committee on the results of and their view on the value of the expenditure.

Process

Review: Annually by Governance Committee

Approved: (Date)



Governance and Communications Protocol

Purpose

[ORGANIZATION]'s Act, Regulations, Bylaws and Policies provide a clear framework and definition for its governance and board structure and system. This Governance Protocol goes beyond these, while remaining faithful and consistent with these, to deal with aspects of preferred governance practice: internal Board practices, interfaces between the Board and management and between the Board and stakeholders, members and the public. These are intended to be refreshed and revised on an annual basis based on the board's consensus.

The purpose of this protocol is to facilitate effective board functioning, and open communication among [ORGANIZATION], its Board, stakeholders, members and the public.

Principles

[ORGANIZATION]'s Board aspires to:

- Be a “governing-type” Board, not a hands-on operating or intervening type Board
- Engage actively at a strategic level rather than an operational, tactical detail level
- Agree on a “no surprises” protocol with management (in both directions)
- Make decisions by consensus wherever possible
- Be transparent in its governance: to the extent practical, feasible and legal, [ORGANIZATION]'s stakeholders and members should be able to see how [ORGANIZATION] is governed, to be able to make informed decisions about engaging with the Organization.
- [ORGANIZATION] Board meetings are generally confidential meetings. They are not held in public. There is an expectation that the discussions held during the meetings are maintained in confidence.
- Transparency is limited and confidentiality expected, under statute law which prohibits the sharing of private information about staff, clients or others, and also requires board members to act in the best interests of the organization at all times.
- In order to balance these principles, this protocol is intended to provide a clear, consistent protocol for board members to prevent any damage to stakeholders' confidence and uninformed information being released to the public, and to provide the Board with a system to ensure that the Organization speaks publicly with one voice.

Board meetings, Decision-making and Functioning

1. As much as is practically possible, the Board seeks to make all its decisions by consensus. Consensus means that all board members have agreed to give the course of action an opportunity

to proceed. This means that the Chair will encourage all dissenting views to be fully expressed and weighed by the Board. The Chair will seek to build unanimity around a decision before calling for a vote. However, if, in the Chair's view, unanimity or consensus is not reasonably achievable, then the Chair may call for a vote and a majority decision will then stand.

2. While [ORGANIZATION] meetings are governed by Roberts Rules of Order, it is accepted practice that dialogue and divergent views on agenda items are permitted and encouraged in full before a resolution is actually moved and seconded, in order to promote constructive dialogue, integrate meaningful dissent, and have open deliberations.
3. All Board members, regardless of how long they have served, are strongly encouraged to speak up at the meetings, being direct and open, and not being afraid of being “wrong” or uninformed. Fresh questions often promote innovative thinking and useful challenges or checks. Board members are urged to speak up at meetings if they don't feel that they have the full information, or if they feel that the Board is not spending enough time to discuss options and next steps. Board members should take the time to deal with substantive matters by flagging these with the Chair. Board members with new agenda items or topics should propose these to the Chair at least a week before board meetings to give the Chair and Organization staff time to prepare.
4. While the Code of Conduct covers conflicts of interest and/or loyalty, the Board seeks to deal with specific contentious situations proactively, openly and clearly, which is preferable than the Chair having to “make the call” on the spot during a meeting. Legal counsel ought to be obtained early as needed. By being clear and proactive about potential conflict situations, the Board seeks to make sure everybody understands how these will be dealt with and why. The Board also seeks to make sure that there are no aspersions cast or implied on any individual Board members who might happen to be in a conflict situation. Conflict situations are inevitable in a sector such as this – as long as they are disclosed and dealt with fairly and openly, everyone is protected, and no one has done anything wrong nor should they feel—or be made to feel—that they have.

Strategic Engagement and Interfaces with Management

5. The Board of [ORGANIZATION] is responsible for corporate governance, its responsibility to direct, monitor and evaluate the Organization itself, through strategy, policy and the CEO.
6. In the area of corporate governance, the Board seeks to be actively engaged in strategy, meaning active participation by the Board in assessing and approving strategic direction. The Board governs through the approval and monitoring of strategic direction and board-level policies (these are high level governance policies, not the Organization's policies and procedures.)
7. Transparency in corporate governance is balanced by privacy protection afforded under law and the fiduciary duty to protect the best interests of the organization and the confidentiality of board matters.
8. While the Board will inevitably and necessarily seek and need information from management from time to time at an operational level, the Board endeavours to use this information in its governance roles – that is, to set the strategic direction and gain reasonable assurance that the organization is indeed moving substantially in that direction.

In-Camera / Executive Sessions

9. The [ORGANIZATION] board and its committees carry out their functions primarily through meetings. Meetings are most effective when, in addition to directors, those people whose input is required attend and participate in the meeting. Most [ORGANIZATION] Board meetings include Directors and members of Senior Management as determined by the Board Chair and the CEO. There are times when limitations are required on attendance by Senior Management and other advisors who customarily attend meetings.
10. Typically, the CEO will be present for all Board Meetings throughout and would only be excused for in camera / executive proceedings when the Directors are dealing with CEO performance or compensation. Other typical examples of in camera / executive sessions include when the Audit Committee or Board meets with the auditor without management being present.
11. The Chair should determine and announce who will remain in the meeting and the rationale if requested for excluding any individuals being asked to leave the Meeting. The Chair must ensure that Directors discuss only those items on the agenda that have been identified as being required to be held in camera, and do not hold discussions on new issues that are not properly in camera items.
12. In most cases, formal Board decisions will not be made during in camera sessions, but rather, once the regular Board meeting reconvenes immediately following the conclusion of the in camera session. There may be situations when those who regularly attend board or committee meetings should not have access to the pre-meeting materials or post-meeting minutes of an executive session. This is most likely to happen with members of management. Therefore, the minutes of the executive portion of the meeting, if any, will be recorded separately and forwarded to legal counsel to retain. These minutes are approved at an executive session at the next regularly scheduled board or committee meeting.

Maintaining Board Confidences

13. The aspect of confidentiality permeates any interaction a Board member may have with others, exclusive of fellow Board members. This includes other individuals, colleagues, governments and organizations. All information about the Board of Directors and its activities should be presumed to be confidential. The business of the Board should not be discussed outside the boardroom. Should an instance arise which prompts a Board member to have concern, it should be discussed with the Chair, at the earliest opportunity.

Formal Communications

14. In terms of formal communications, the following principles apply:
 - The CEO is the primary spokesperson for, communicates on behalf of, and represents, the organization;

- The Chair communicates on behalf of, and represents the Board of Directors of [ORGANIZATION]; and
- Individual Board members refer all enquiries to the designated [ORGANIZATION] spokesperson, typically the CEO; when in doubt, enquiries are referred to the Chair for Board matters, and to the CEO for all others. This applies to event invitations, stakeholder, media, public, management, staff and other stakeholder requests and communications.

Informal Communications

- 15.** As regards informal communications, individual Board members will inevitably and legitimately have informal communications with stakeholders and members of [ORGANIZATION]. In all these instances, it is incumbent upon Board members to be explicitly clear that they are communicating in a personal capacity, not on behalf of the Organization or the Board.

Attendance at Events

- 16.** [ORGANIZATION] may host events including those of a social, representational and commercial nature which Board members are invited to attend. As with all communications with stakeholders, Board members are expected to exercise vigilance and tact, referring any sensitive matters to the designated [ORGANIZATION] spokesperson(s).
- 17.** There may be instances when board members are requested to participate in various other events by virtue of their organization with [ORGANIZATION], for example a speaking engagement to a professional organization. In these instances:
- The Board member should advise the Corporate Secretary and/or CEO of the request;
 - The request will be considered and vetted by the Chair of the Board and/or CEO;
 - The Board member may be provided with generic speaking notes for the occasion;
 - The Board member will make it clear that he/she is not speaking on behalf of [ORGANIZATION], rather in a personal capacity; and,
 - The Board member will provide the Corporate Secretary and/or CEO with a verbal debrief of the event.

Media Relations

- 18.** Board members will refer any requests for media interviews to the CEO or designated media spokesperson. In referring a media enquiry, Board members should be mindful that:
- Media requests for information usually require a speedy response and should be handled on a priority basis;
 - By referring the call to the CEO or designated spokesperson, Board members provide a signal as to the limit of their authority; and,

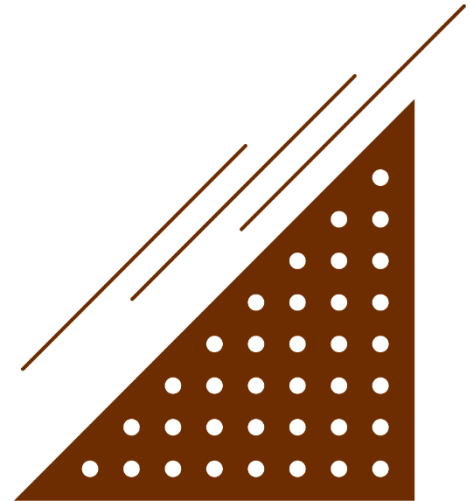
- Be careful not to talk “off the record”.

Requests from the Public

- 19.** Occasions may arise from time to time whereby a Board member is approached, either in writing or otherwise, by an individual or organization requesting the assistance of a Board member in resolving an issue with [ORGANIZATION]. Under these circumstances the request should be directed to the Corporate Secretary who will route the enquiry or request for appropriate action within [ORGANIZATION].

Review

Annually by the Board; generally at the annual organizing meeting of the Board, following the AGM where new officer and committee assignments are made.



About Governance Solutions

Governance Solutions Inc. has been trusted for over 30 years by organizations to provide superior governance solutions. Solutions like: The Professional Director Certification Program®, BoardConnex® the latest in smart board portals, The Board and CEO Evaluation Solutions, strategic planning and The Scorecard Solution, Director Profile, governance best practices research, and consulting.

Our expertise spans the globe and sectors. You can count on Governance Solutions to provide independent, affordable, superior, accessible, customizable, professional, governance solutions. You can build, organize, educate, leverage, evaluate and optimize your governance with our integrated portfolio of governance products and services. Governance Solutions delivers tools, online resources, benchmarking, knowledge, and advice based on a unique blend of experience, research, and user-friendly technology.

Governance Solutions helps organizations strengthen their governance practices. We understand your challenges and are trusted by leading organizations around the globe because our entire leadership team has deep experience. Each has walked in your shoes as CEOs and Board members and has many years of substantive dialogue with governance leaders. Your board members and senior executives responsible for governance will be empowered by our principle-based approach.

Contact us

1-888-698-3971 or info@governancesolutions.ca



Governance Reform Cases¹

Here is a side-by-side comparison of three major Canadian Crown corporation board reform case studies: Canada Post (2018), Atomic Energy of Canada Limited – AECL (2011), and Canadian Wheat Board – CWB (2011–2015). This comparison highlights their governance interventions, motivations, mechanisms, and lessons learned.

Governance Reform Case Comparison: Canada Post vs. AECL vs. CWB

Dimension	Canada Post (2018)	AECL (2011)	CWB (2011–2015)
Sector	National mail delivery & logistics	Nuclear energy research & commercial reactors	Agricultural marketing (grain exports)
Trigger for Reform	Public backlash to service cuts, labor unrest, governance misalignment	Financial deficits, project failures, lack of competitiveness	Political shift, farmer division, demand for marketing freedom
Government Action	Full board dismissed; mandate review initiated	Partial privatization, commercial division sold to SNC-Lavalin; board restructured	Board powers curtailed by legislation; monopoly removed, eventually fully privatized
Board Governance Change	New board appointed with diversity and reform focus; new Chair (Jessica McDonald)	Board restructured to focus on public-interest nuclear research	Farmer-elected board made obsolete; replaced by government oversight and eventual privatization
Legal Mechanism Used	Canada Post Corporation Act; Orders in Council; mandate review	Restructuring of AECL Act; federal transaction approval	Marketing Freedom for Grain Farmers Act (2011)
Post-Reform Structure	Crown corporation with renewed mandate and public-service alignment	Public research lab under GoCo (Government-Owned, Contractor-Operated); commercial arm privatized	Private company (G3 Canada) with no public governance role

¹ Governance Solutions Inc. (GSI) has compiled this information from publicly available sources and therefore cannot attest to its accuracy or completeness.



Governance Solutions

Dimension	Canada Post (2018)	AECL (2011)	CWB (2011–2015)
Stakeholder Impact	Better labor relations (CUPW); public trust improved; services partly restored	Retained public R&D oversight; gained operational efficiency via private operators	Farmers divided; some lost collective bargaining power; private investment in infrastructure followed
Strategic Goals	Modernize operations, restore service legitimacy, align with public values	Offload commercial risk, preserve public safety mandate, improve efficiency	Liberalize grain marketing, increase competition, reduce political oversight
Governance Lessons	Government can reset Crown direction via full board renewal + cultural change	Segmented reform (public/private) enables mandate clarity and operational focus	Legislative reform can neutralize a board without formally dismissing it
Reform Outcome	Regarded as a successful governance reset	Regarded as technically sound , though politically quiet	Remains politically contentious , but irreversible and strategically aligned with policy direction

Key Insights for Governance Professionals

- **Canada Post** illustrates a **full-board dismissal and internal reform** rooted in mandate realignment and stakeholder collaboration.
- **AECL** demonstrates a **targeted structural transformation**, retaining public oversight while privatizing risk-heavy operations.
- **CWB** offers a case where **governance reform was driven by legislation**, effectively bypassing the board and dissolving its role.



Governance Solutions

Case Study: Atomic Energy of Canada Limited (AECL) – 2011 Restructuring

Background

AECL, a federal Crown corporation responsible for nuclear science and technology—including the design and maintenance of CANDU reactors—faced long-standing governance and financial challenges throughout the early 2000s:

- Persistent **cost overruns** on reactor refurbishments.
- **Delays and cancellations** in major international contracts.
- **Mounting operating deficits** and political pressure for restructuring.

By 2010–2011, AECL had become a **governance and financial liability** for the federal government, prompting a bold reform initiative.

Board and Structural Overhaul

In **2011**, the federal government:

- **Privatized AECL’s commercial reactor division**, selling it to SNC-Lavalin for \$15 million under the **Restructuring of AECL Act**.
- **Dissolved and reconstituted the AECL board**, retaining only its nuclear laboratories division under public control.
- Shifted AECL’s governance to a **new model** with a leaner board focused on oversight of public-interest research, nuclear waste management, and safety.

This restructuring led to the formation of two distinct organizations:

1. **CANDU Energy Inc.** (a subsidiary of SNC-Lavalin handling commercial operations).
2. **AECL (Labs Division)** under continued federal ownership, later restructured again under a **Government-Owned, Contractor-Operated (GoCo)** model.

Drivers of Reform

The governance intervention stemmed from:

- Failures in **commercial competitiveness**.
- Recommendations from internal reviews and external stakeholders (including the Auditor General).



Governance Solutions

- The need to **depoliticize operations** and **align AECL's mandate with public science and environmental priorities**.

Post-Reform Outcomes

- **Stabilized AECL's public-sector research role**, focused on nuclear safety, waste remediation, and isotope production.
- Attracted **private-sector efficiency** through GoCo contracting (awarded to Canadian National Energy Alliance in 2015).
- AECL's role today is centered on **oversight and long-term strategy**, with the operational side handled by private contractors.

Lessons for Governance Professionals

Strategic Implications:

- Not all reforms require full privatization—**segmented restructuring** can preserve public interest functions while offloading inefficiencies.
- **Board reconstitution works best when aligned with redefined mandates and legislative frameworks**.

Governance Insights:

- Structural reform must be backed by strong legal instruments (e.g., the Restructuring of AECL Act).
- Clear differentiation of **oversight vs. operations** strengthens accountability in technically complex Crown entities.
- The GoCo model demonstrates how **contractual governance** can coexist with public ownership.

Another significant example of board-level governance transformation in a Canadian Crown corporation—beyond Canada Post and AECL—is the **Canadian Wheat Board (CWB) reform and dismantling process (2011–2015)**. Though not a conventional board dismissal, it represents a **substantive case of government-driven restructuring**, where the board's role and governance model were **completely overhauled and ultimately dissolved**.



Governance Solutions

Case Study: Canadian Wheat Board (CWB) – Governance Transformation (2011–2015)

Background

The **Canadian Wheat Board**, a federal Crown entity established in 1935, held a **monopoly over the sale of wheat and barley** grown in Western Canada for export. Its governance structure featured a board of directors composed largely of elected farmers, with a few government appointees.

By the late 2000s, the CWB was facing:

- **Mounting pressure from farmers and grain companies** calling for marketing freedom.
- Accusations of outdated, top-down governance and lack of accountability to producers outside the board's majority bloc.
- Political opposition from the Conservative federal government, which sought to **dismantle the monopoly system**.

Governance Overhaul

In **2011**, the government passed the **Marketing Freedom for Grain Farmers Act**, which:

- **Stripped the CWB board of its single-desk marketing authority.**
- Effectively **neutralized the governance power** of elected directors by transferring oversight to government-appointed management.
- Removed the mandatory participation of Western Canadian farmers in CWB programs.

While not a technical “board dismissal,” the act **rendered the existing board's function obsolete**, prompting resignations and leaving a largely symbolic governance body in place until full privatization.

Privatization and Structural Change (2015)

In 2015, the government sold the remaining CWB assets to the **Global Grain Group**, a joint venture between Bunge Canada and a Saudi investor group. This transaction:

- **Fully privatized** the former Crown corporation.
- Included commitments to invest in grain-handling infrastructure.



Governance Solutions

- Resulted in the creation of **G3 Canada Limited**, a private grain company.

Outcomes

- **Ended the CWB's monopoly role** and centralized governance structure.
- Facilitated the **entry of new grain market competitors**, transforming Western Canadian grain marketing.
- Generated **deep divisions** among stakeholders—some praising marketing freedom, others lamenting the loss of collective bargaining power for farmers.

Governance Takeaways

Strategic Lessons:

- Legislative intervention can be used to **dismantle or restructure Crown boards indirectly**, particularly where mandates are politically or economically contentious.
- Even without a formal board dismissal, **reassigning oversight and operational authority** can neutralize legacy governance structures.

Cultural and Stakeholder Impact:

- Highlighted the **risks of politically unilateral governance reform**, especially when consensus is lacking.
- Demonstrated how a **shift in mandate (from collective marketing to free market operation)** requires a corresponding shift in governance logic—from representative boards to executive accountability.

Summary

CWB's transition from a farmer-elected governance model to a government-directed and eventually privatized structure offers a case where **mandate and governance were tightly intertwined**, and where structural change was used as a vehicle to dissolve traditional board control.



Case Study: Canada Post (2018)

Background

In 2018, the federal government, under Prime Minister Justin Trudeau, initiated a significant governance overhaul at **Canada Post Corporation**, a Crown corporation providing national mail services. This move followed growing criticism over controversial strategic decisions, labor disputes, and management practices—prompting a broad mandate review aimed at aligning the corporation more closely with public service expectations.

Board Dismissal

In **July 2018**, the government took the **extraordinary step of dismissing the entire board of directors**. The rationale included:

- Loss of confidence in the board’s capacity to pursue a renewed strategic vision.
- The need to reorient the corporation toward public service values, labor equity, and digital transformation.
- Repercussions from unpopular decisions, such as ending door-to-door delivery.

This intervention was driven by:

- Public backlash to service cuts.
- Union pressure for collaborative governance.
- A mandate review advocating for modernized, citizen-focused service.

Reformation Process

Following the dismissal:

- **Jessica McDonald** was appointed as interim Chair. With leadership experience at BC Hydro, she was known for reform-minded governance.
- A **new board** was appointed, reflecting greater diversity, public accountability, and expertise in digital and labor issues.
- A **Mandate Review Panel** set priorities such as:
 - Restoring services in underserved areas.
 - Modernizing infrastructure for digital commerce.
 - Enhancing labor relations and equity.



Governance Solutions

Outcomes

The governance reset led to a series of measurable improvements:

- Partial **restoration of door-to-door delivery**.
- Improved **labor relations** with the Canadian Union of Postal Workers (CUPW).
- Strategic shifts toward **environmental sustainability** and e-commerce.
- Enhanced **diversity and regional representation** on the board.

Lessons for Governance Professionals

- **Government intervention** can be a necessary corrective when boards diverge from public mandates.
- A successful reset depends on a combination of **transparent reviews, diverse appointments, and cultural reform**.
- Disbanding a board is a **drastic but effective** tool if tied to clear goals and long-term accountability.

Strategic Context: Mandate Misalignment

Canada Post's earlier direction had become misaligned with public expectations:

- Service reductions (e.g., door-to-door delivery cuts).
- A culture viewed as closed and risk-averse.
- Declining trust from both citizens and unions.

This reflects a **classic Crown governance tension**: balancing financial sustainability with public service obligations.

Legal and Structural Levers

Under the **Canada Post Corporation Act**, the federal government retains authority to:

- Appoint or remove directors, including the Chair.
- Initiate strategic and mandate reviews.

In 2018, these powers were used to:

- Remove the full board.
- Install reform leadership.



Governance Solutions

- Mandate realignment with service equity and accessibility.

This case underscores the **legitimacy of formal governance levers** to correct course in the public interest.

Board Composition and Reform Strategy

Key Reforms

1. **Leadership:** Jessica McDonald's appointment brought experience in stakeholder engagement and transformation.
2. **Diversity:** The new board emphasized gender, regional, and linguistic representation, and brought in expertise in labor, digital innovation, and public accountability.
3. **Mandate Reset:** Guided by a public-focused review panel, with goals including:
 - Service to vulnerable communities.
 - E-commerce and technology readiness.
 - Workforce modernization and equity.

Governance Tools

- **Order in Council** for board renewal.
- Introduction of **clear mandates and KPIs**.
- Ongoing **stakeholder consultations and performance reviews**.

Culture and Stakeholder Engagement

Labor Relations Reset

Post-reform, CUPW relations improved:

- A more collaborative tone from leadership.
- Proactive engagement on safety, equity, and modern service delivery.
- Reduced strike risk and smoother bargaining processes.

Public Accountability

Canada Post adopted a **more transparent and values-driven approach:**

- Regular performance reporting (e.g., rural outreach).



Governance Solutions

- Open dialogue with Canadians on expectations.
- A pivot from austerity to **public value creation**.

Evaluation and Legacy

Success Indicators

- Stabilization after a period of controversy.
- Reestablished legitimacy with key stakeholders.
- Became a **model of principled Crown reform** without politicization.

Lingering Challenges

- **Financial pressures** and long-term labor costs remain unresolved.
- Success of reforms will depend on sustained investment and strategic discipline.

Governance Lessons

For Crown Boards:

- **Diversity and public legitimacy are non-negotiable.**
- Transparency and alignment with citizen needs build trust.
- Strategic clarity must balance commercial and civic imperatives.

For Government Oversight:

- **Use legal authority judiciously** to steer governance when warranted.
- Combine structural changes with leadership renewal and culture shift.
- Ensure **clear, values-based communication** to avoid politicization.



Governance of Publicly Owned Utilities: Insights from Ontario

Professor Adam Fremeth

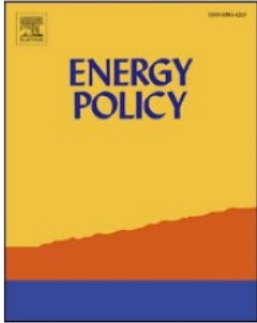
Professor Guy Holburn

Ivey Business School, Western University

May 22, 2025



Recent research on utility governance from the Ivey Energy Policy and Management Centre



The impact of political directors on corporate strategy for government-owned utilities: Evidence from Ontario’s electricity distribution sector

Adam R. Fremeth*, Guy L.F. Holburn

Western University, Ivey Business School, 1255 Western Road, London, ON, N6G 0N1, Canada

Best Practice Principles of Corporate Governance for Crown Corporations



POLICY BRIEF
SEPTEMBER 2022

Where’s the Cheque? Governance, Ownership, and Dividend Policies of Electric Utilities

Adam Fremeth, Associate Professor – Ivey Business School
Guy Holburn, Professor – Ivey Business School, Director – London Hydro

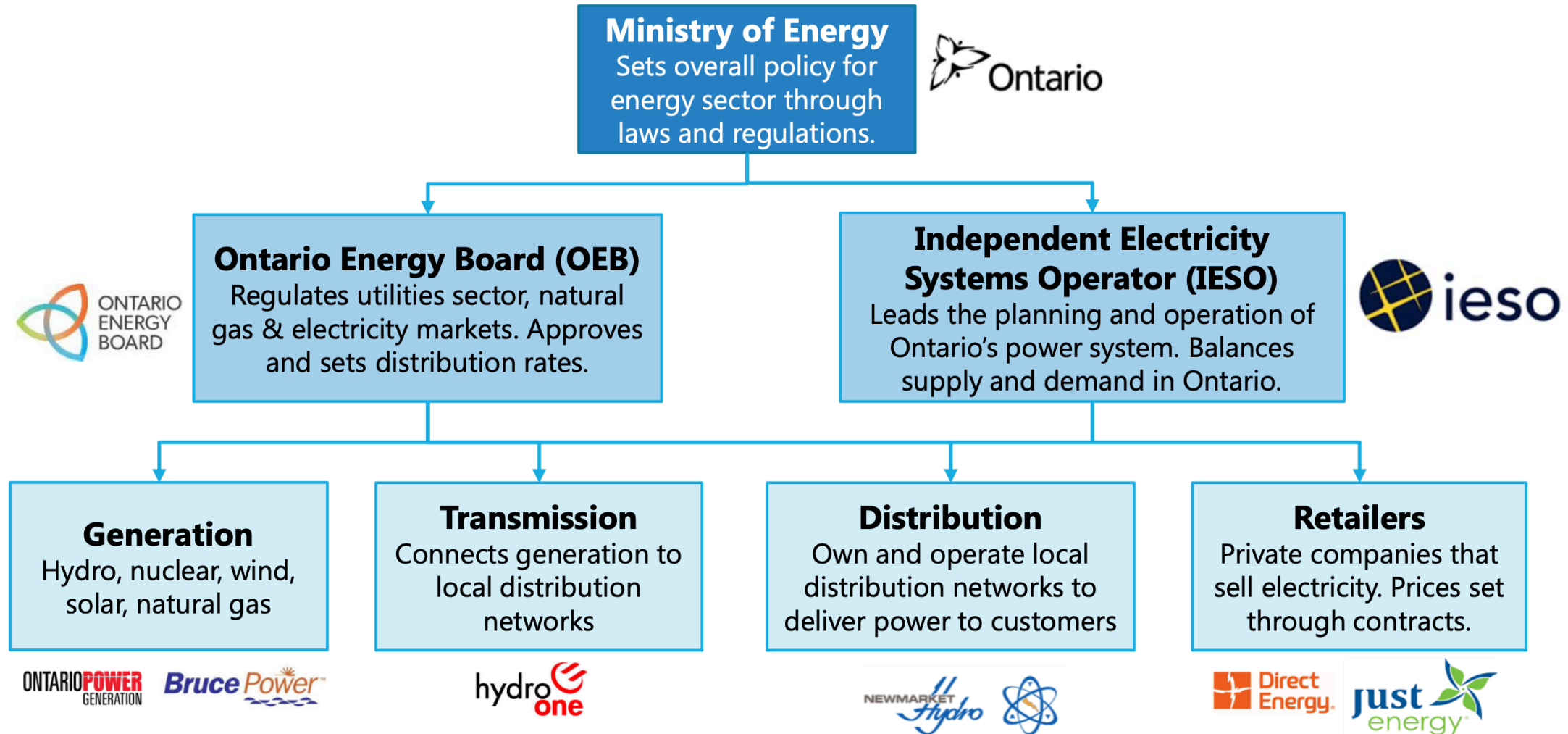


JANUARY 2022

Corporate Governance of Government-Owned Utilities: Lessons from EPCOR Utilities Inc.

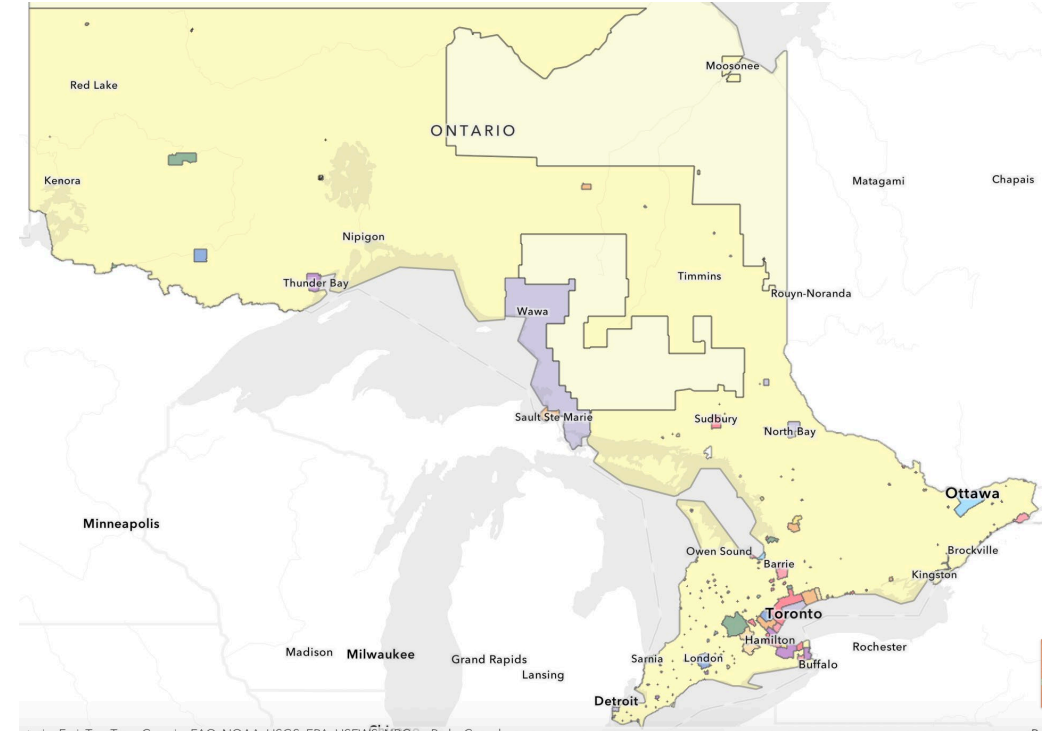
By Guy Holburn and David Hay

Structure of Ontario's electricity industry



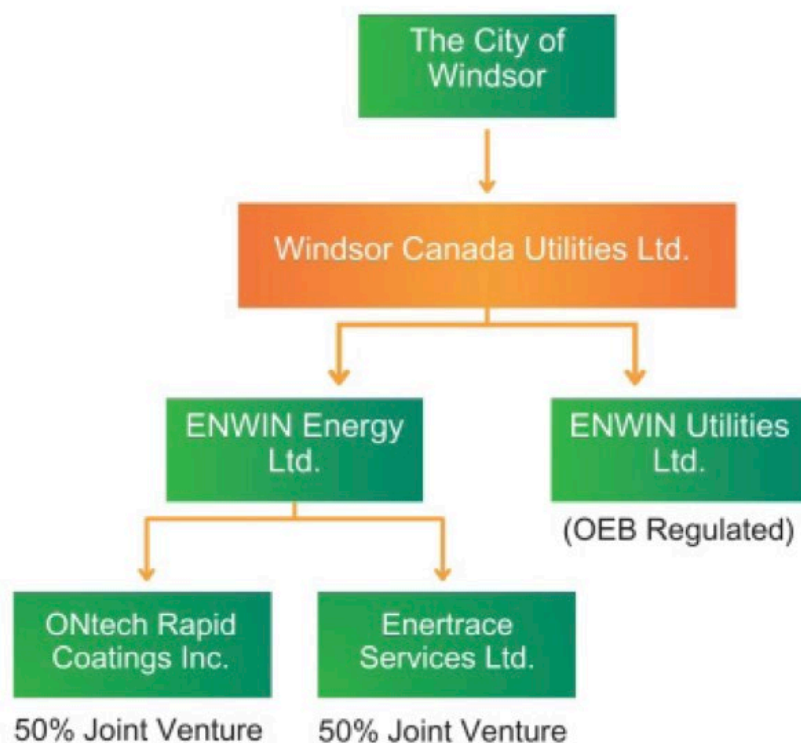
Electricity distribution utilities in Ontario

- 54 local electricity distribution companies (LDCs), ranging from 1,300 to more than 1 million customers. Median size is 24,000 customers
- Most LDCs are municipally-owned, for-profit corporations
- Rates are regulated by the Ontario Energy Board on rate-of-return basis



Business scope of electricity distribution utilities

- Many LDCs have diversified into unregulated, related businesses through affiliate corporations and holding companies

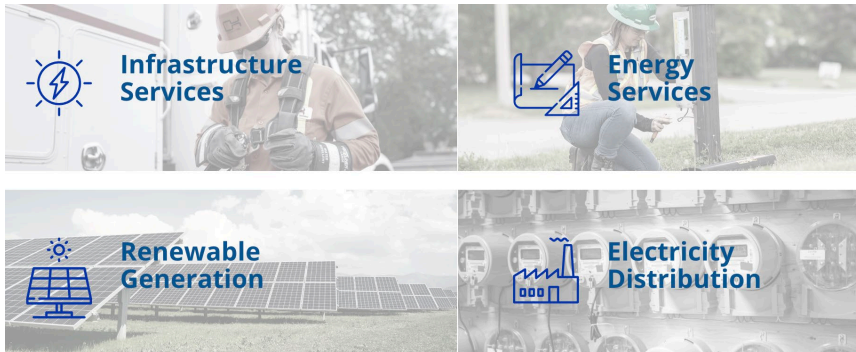


Business scope of Oakville Hydro/Oakville Enterprises



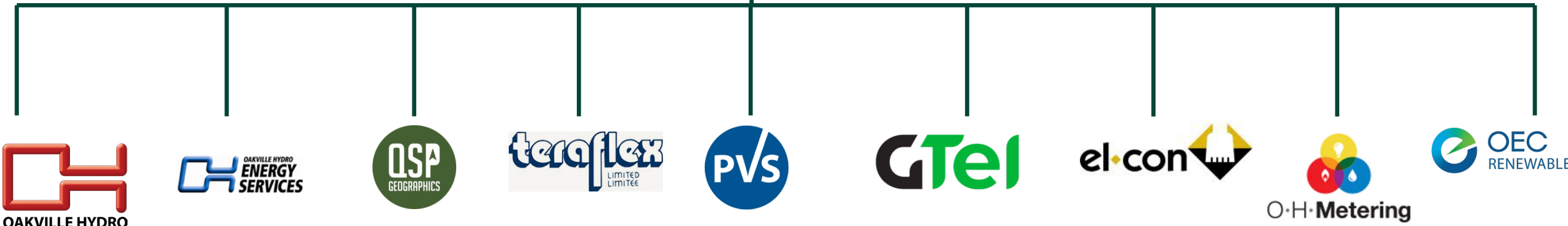
90%

10%



\$480M revenue (2023)

- 10% from Oakville Hydro, 90% from unregulated affiliate businesses
- \$6.1M dividend to City



Corporate governance of electricity distribution utilities

- City councils (as the LDC shareholder) appoint LDC boards of directors
 - LDC boards usually consist of 6 – 10 directors
 - Approx 75% of LDC directors are independent professionals, 25% are councillors/mayors
 - Some LDCs have 100% independent boards (e.g. Oshawa, Oakville)
- Our survey research finds differences in preferences over LDC strategy between political and independent directors
 - Prioritize **dividends to City over re-investment** in the LDC
 - More willing to expand into **unregulated businesses**
 - More willing to **acquire another LDC**
- Our results are consistent with political directors putting greater weight on policy/political goals than independent directors

Corporate governance of Oakville Hydro/OEC



David Brennan,
Chair



Siobhan
Byron



Patrick
Crowley



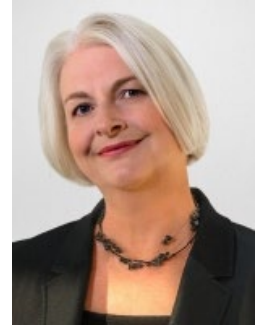
Tim
Smith



Paul
Pastirik



Sheryl
Watson



Janet
Wilkinson

- Oakville Hydro is governed by a 7-director board appointed by the City
- All directors are independent business executives, lawyers, accountants, many with ICD.D qualification; no councillors or mayor
- Chair of Oakville Hydro board is also Chair of the holding company board, Oakville Enterprises Corporation. 2 other directors serve on OEC Board
 - OEC Board has 11 directors (9 independent + Mayor and CAO of Oakville)

Corporate governance of Ontario Power Generation

- OPG is a Crown corporation that owns and operates the majority of generation capacity in Ontario (hydro, nuclear and natural gas)
- The board consists of 11 independent directors with professional expertise in energy, infrastructure, natural resources, financial services. 3 directors are based in the U.S.
- Memorandum of Agreement with the government includes **commercial** and **policy** mandate goals
 - “operate assets efficiently and cost-effectively”, “earn a commercial rate of return”, “generate new revenues on a commercially sound basis”, “deliver value to Ontario’s ratepayers and taxpayers”
 - “undertake generation development projects in support of the Province’s energy planning priorities and initiatives”, “support the Province’s economic development objectives where feasible”, “pursue prospective generation related developments with Indigenous communities...for mutually beneficial commercial arrangements”

Alaska's Electric Utility Landscape



**By Crystal Enkvist, Executive Director, Alaska Power Association
and Linda Freed, President, Alaska Power Association
Director, Kodiak Electric Association
For Northwest Territories Legislative Assembly
Assemblée législative des Territoires du Nord-Ouest
May 26, 2025**



Assists members in accomplishing their goals of delivering electric energy and other services at the best value to their consumers

- Non-profit association governed by a board of directors representing electric utilities throughout Alaska
- Utilities choose their designated representatives
- Majority of members are electric cooperatives
- All share the same vision: **safe, reliable and affordable electric energy for consumers**
- Different membership types: Active, Associate, Affiliate and Supporting
- Provides curated information on regulatory, legislative and operational issues
- Offers training for members' employees and board members
- Advocates on issues impacting electric utilities and consumers

Seven Cooperative Principles

VOLUNTARY AND OPEN MEMBERSHIP

Cooperatives are voluntary organizations open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

DEMOCRATIC MEMBER CONTROL

Cooperatives are democratic organizations controlled by their members, who actively participate in setting policies and making decisions. The elected representatives are accountable to the membership. In primary cooperatives, members have equal voting rights (one member, one vote) and cooperatives at other levels are organized in a democratic manner.

MEMBERS' ECONOMIC PARTICIPATION

Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing the cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefitting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

AUTONOMY AND INDEPENDENCE

Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

EDUCATION, TRAINING AND INFORMATION

Cooperatives provide education and training for their members, elected representatives, managers, and employees so that they can contribute effectively to the development of their cooperatives. They inform the general public, particularly young people and opinion leaders, about the nature and benefits of cooperation.

COOPERATION AMONG COOPERATIVES

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

CONCERN FOR COMMUNITY

While focusing on member needs, cooperatives work for the sustainable development of their communities through policies accepted by their members.

APA's electric utility members throughout Alaska

- Alaska Electric Light and Power
- Alaska Power and Telephone
- Alaska Village Electric Cooperative
- Barrow Utilities and Electric Cooperative
- Chugach Electric Association
- Copper Valley Electric Association
- Cordova Electric Cooperative
- Doyon Utilities
- Golden Valley Electric Association
- Homer Electric Association
- INN Electric Cooperative
- Inside Passage Electric Cooperative
- Ketchikan Public Utilities
- City of King Cove
- Kodiak Electric Association
- Kotzebue Electric Association
- McGrath Light and Power
- Metlakatla Power and Light
- Matanuska Electric Association
- Middle Kuskokwim Electric Cooperative
- Naknek Electric Association
- Nome Joint Utility System
- Nushagak Cooperative
- Purvurnaq Power Company
- City of Seward
- Southeast Alaska Power Agency
- Tanana Power Company
- Tanalian Electric Cooperative
- TDX Power
- Unalakleet Valley Electric Cooperative
- City of Unalaska



Source: US National Park Service

Alaska's unique electric systems



Alaska has a unique electric grid system due to its vast and sparsely populated geography. There are more than 150 islanded, stand-alone electrical grids serving rural communities. A community's electric utility system has sole responsibility for generation, transmission and distribution.

The largest transmission grids are in the Railbelt and Southeast regions of the state. Although these serve a vast majority of Alaskans, they are significantly smaller than grids in the rest of the country and are all islanded.

Due to the state's electric reality, Alaska utilities are pioneers in microgrid operation and technological innovation. From batteries to renewables to time-tested operational expertise in unforgiving conditions.

More than 90 percent of Alaskans receive their power from a not-for-profit utility.

Alaska's electric utilities: Different types of business models

COOPERATIVE: MEMBER-OWNED AND GOVERNED, NOT-FOR-PROFIT ELECTRIC UTILITY.

MUNICIPAL ELECTRIC UTILITY: OWNED AND OPERATED BY A LOCAL GOVERNMENT, NOT-FOR-PROFIT.

INVESTOR-OWNED UTILITY: A FOR-PROFIT ELECTRIC UTILITY TYPICALLY OWNED BY A PRIVATE COMPANY OR A PUBLICLY-TRADED CORPORATION.

ALASKA NATIVE-OWNED AND OPERATED ELECTRIC UTILITY: AN ELECTRIC UTILITY OWNED AND OPERATED BY AN ALASKA NATIVE ORGANIZATION.

JOINT ACTION AGENCY: COLLABORATION OF PUBLIC UTILITIES TO DESIGN, FINANCE, BUILD, OPERATE, AND MAINTAIN POWER GENERATION AND TRANSMISSION FACILITIES.

Generation sources across Alaska



NATURAL GAS
47%



HYDROPOWER
26%



PETROLEUM
(DIESEL, NAPHTHA)
13%



SOLAR
>1%



WIND
2%



COAL
11%



Source: US Energy Information Administration

Alaska's electric utilities continue to diversify power sources

- Diversification of electric systems has been underway for some time.
- Rural and Railbelt utilities are integrating solar, wind, batteries and looking at other clean energy sources in ways that are technically and economically feasible.
- Diversification can lead to increased energy security.
- Diversification Projects consist of both utility-built and electricity purchased from independent power producers (IPPs).
- Focus on reliability, economic, and technical feasibility.
- Important to note – renewable energy is not always a cheaper alternative.





Alaska Renewable Energy Grant Fund

- State grant program designed to reduce and stabilize energy costs through the development of renewable energy projects.
- APA supports full funding of the grant program in the FY26 budget.
 - FY26 legislature approved funding is \$6.3 million out of \$21 million required to fund the full program.
- 2023 Report findings (AEA):
 - 60% of grants used to support the creation of a new project.
 - 90% of grants used for fuel displacement purposes.
 - 94% of grants have achieved this goal.
 - Offset approx. 85 million gallons of diesel fuel.
- REF grants lower impact on rates and can help advance projects quicker than other funding sources.





Considerations for integrating renewables in Alaska

- It's more complicated than just putting up wind and solar.
- Electric utilities must consider:
 - Grid stability and reliability – Ensuring intermittent resources don't upset the balance of the grid.
 - Infrastructure upgrades – Enhancing transmission lines and other grid management systems.
 - Energy storage – Manage variability and storage of excess energy.
 - Economic considerations – Cost of integrating renewables, backing up intermittent renewables with base load power and the cost of new infrastructure, etc.
- Baseload Power = the minimum level of continuous power required to meet the constant demand for electricity on the grid.

*Alaska Powerline Podcast – May 2, 2024, episode
Understanding the Challenges of Variable Energy*

Kodiak Electric Association, Inc.

- Locally-owned and operated electric cooperative
- 83 years old
- Provides electricity to 6,000 meters, largest US Coast Guard base in US and the largest fishing fleet in Alaska
- Isolated microgrid
- Peak load – 30 MW
- Minimum load – 13 MW



Back in 2000

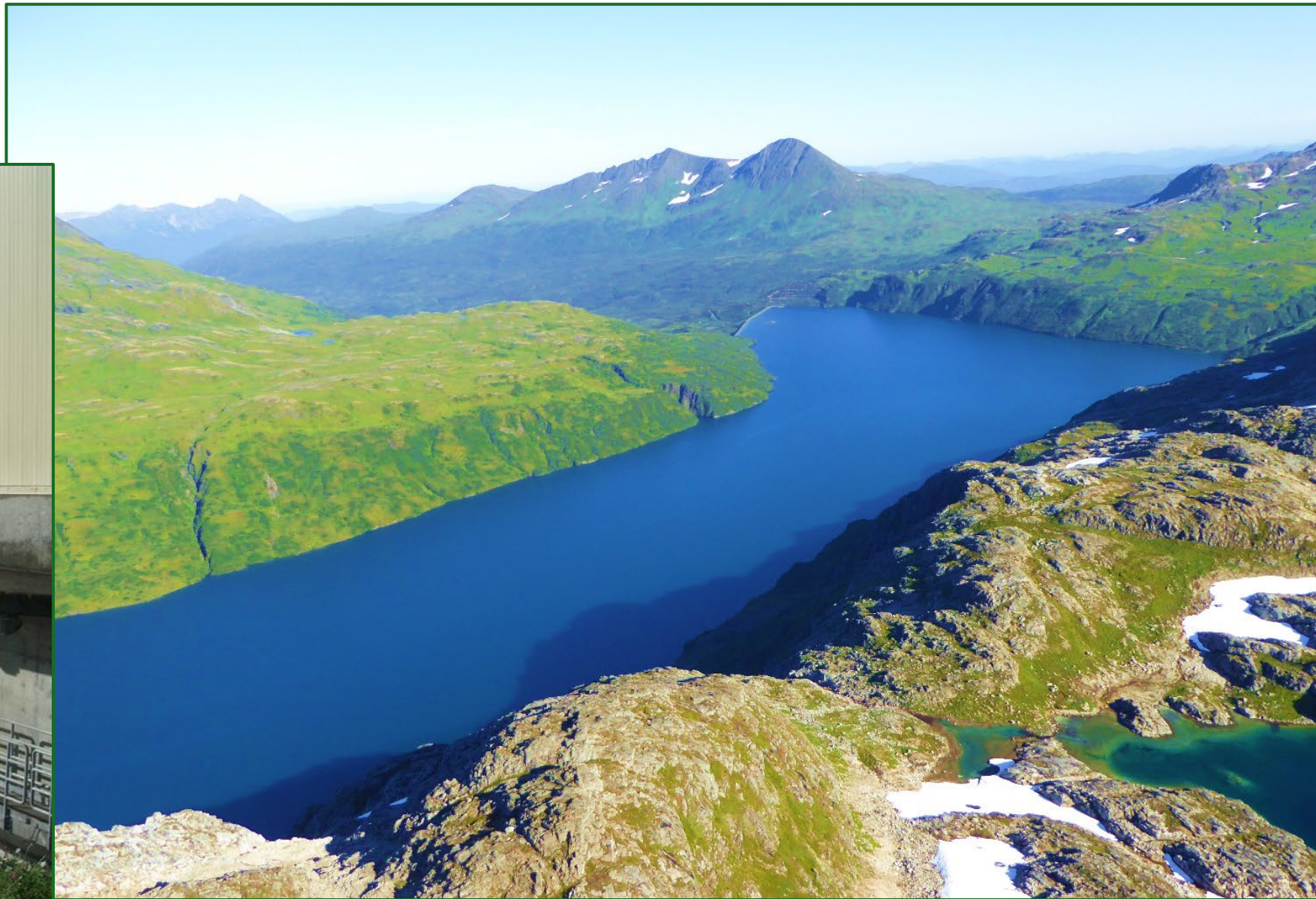
- 59% Diesel
- 41% Hydro
- Anticipated all load growth provided by diesel generation
- Hydroelectric power plant was owned by a third party



Vision Statement

- Adopted February 23, 2007

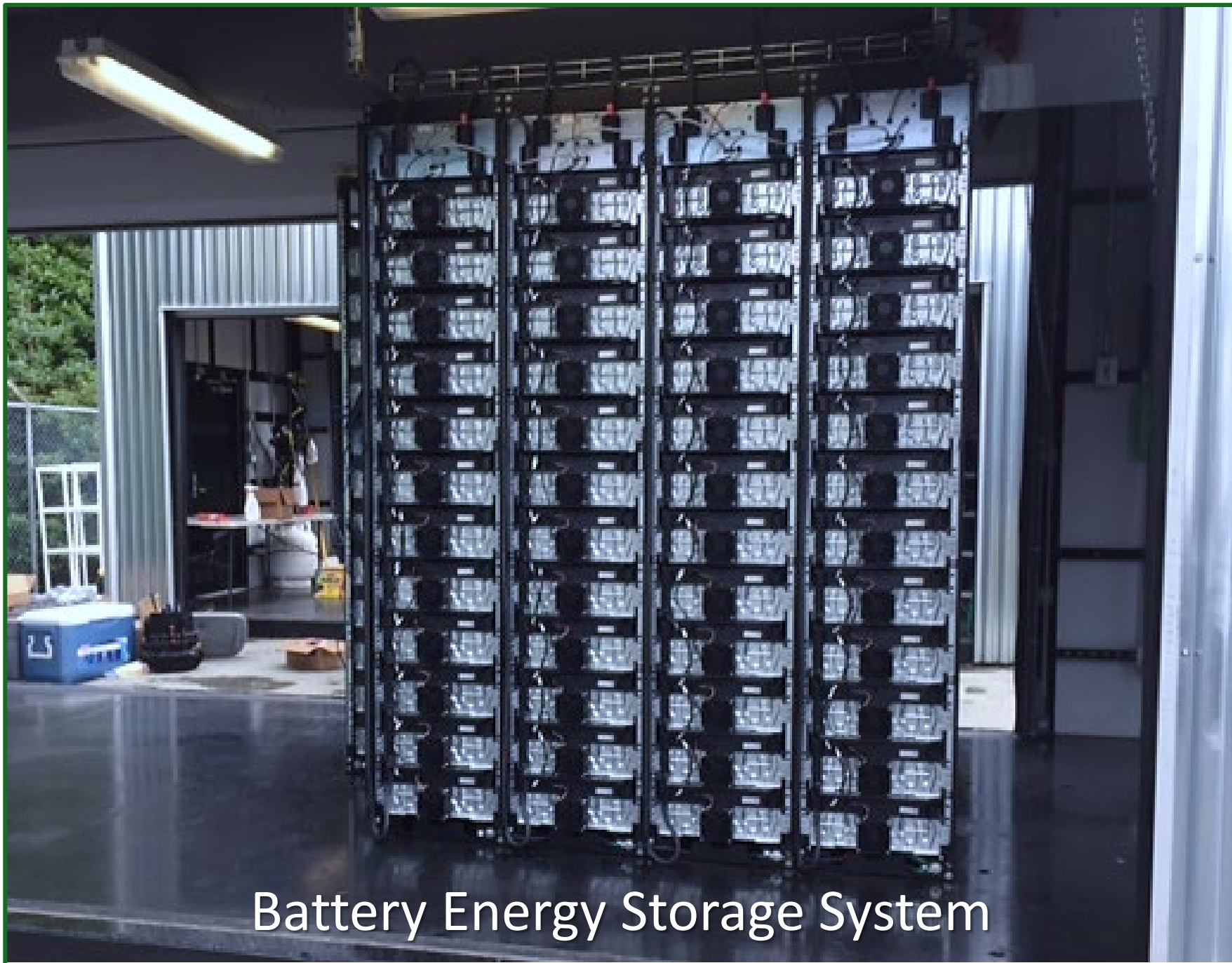
“Kodiak Electric Association, Inc. shall endeavor to produce 95% of energy sales with cost effective renewable power solutions by the year 2020.”



Terror Lake Hydroelectric Project



Pillar Mountain Wind Farm



Battery Energy Storage System



Flywheel Energy Storage System

Vision Statement

- Revised January 26, 2017

“Kodiak Electric Association, Inc. shall endeavor to maintain 98% of energy sales with cost effective renewable power solutions for the future of our members and the community”

- More than 25 million gallons saved by the wind project.
- At \$3.50 per gallon, that is approximately \$88 million.



Alaska's rural electric utilities: Challenges and opportunities

Challenges:

- High cost of fuel and transportation, especially in remote areas.
- Harsh weather conditions and geographic isolation.
- Lack of interconnection.
- Small ratepayer base.

Opportunities:

- Dedicated and talented workforce putting solutions into play.
- Federal and state investment in infrastructure.
- Technologies becoming more feasible in rural communities.
- Preservation and continuation of Power Cost Equalization Program.
- Seeing more collaboration with other entities now in the energy space.
- Relationships with Independent Power Producers



Power Cost Equalization

“The Monetary Infrastructure for Rural Alaska”

- Economic Assistance - The PCE program provides economic assistance to rural communities where the cost of electricity can be three to five times higher than in urban areas.
- Sustainability - By lowering electricity costs, the program helps ensure the sustainability of remote economies that depend on reliable, centralized power.
- Continued Support - The PCE program remains a critical component of Alaska's energy strategy, supporting rural communities and promoting economic stability.

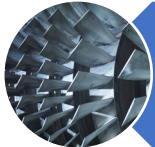
Power Cost Equalization by the numbers



Population served: 80,809 Alaskans



Communities served: 188



Participating utilities: 82



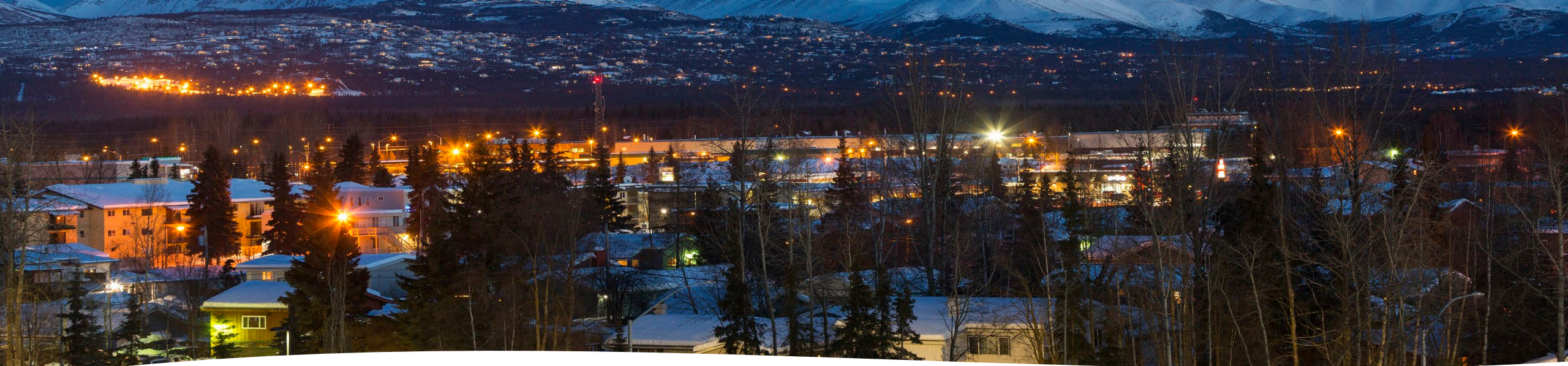
Amount of monthly kWh covered: 750 (increased from 500)



PCE legislative funding appropriation: \$48M in FY 26



Highest residential rate in PCE program: \$1.84 per kwh



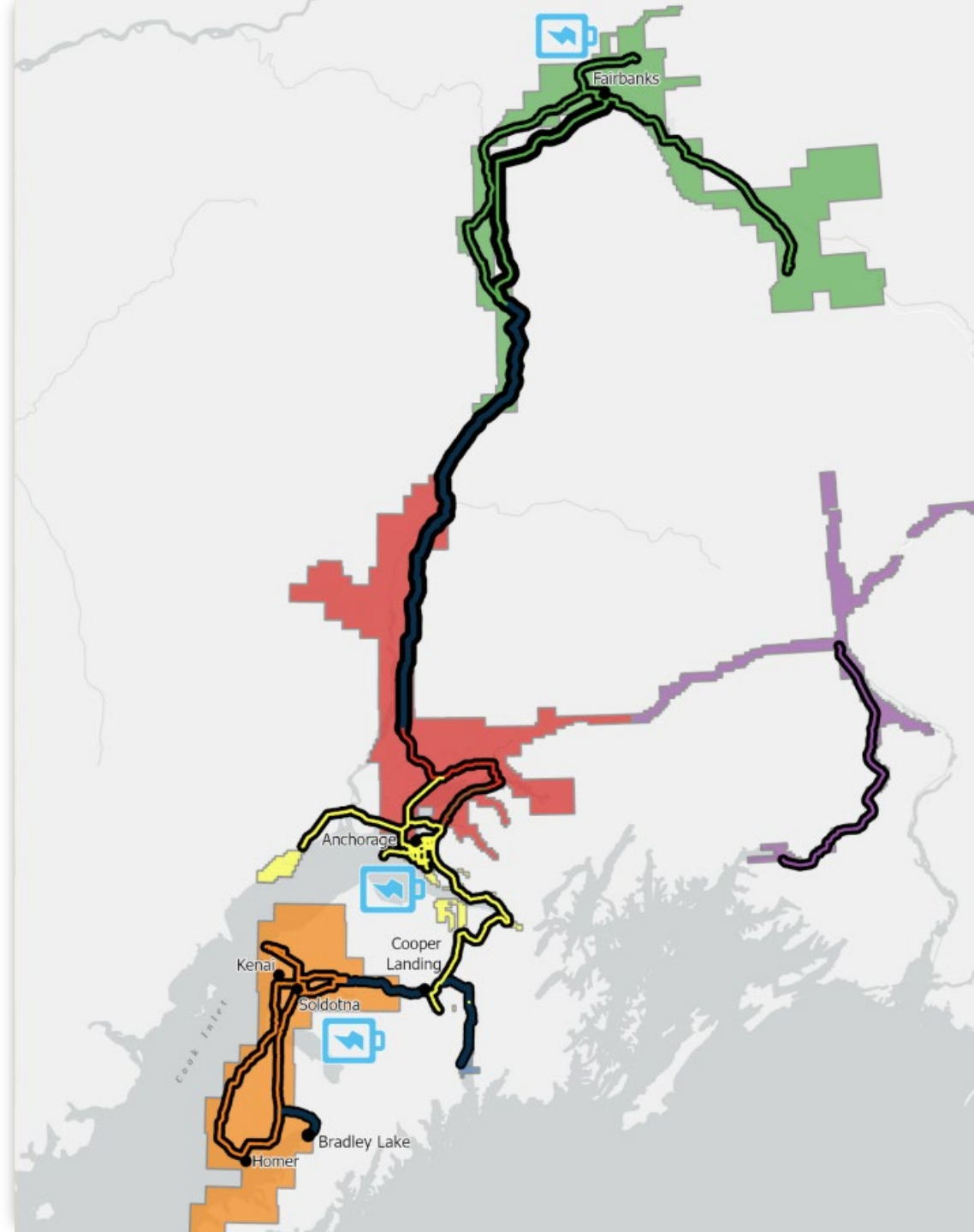
Railbelt Electric Utilities

- Four electric cooperatives and one municipal utility
 - Golden Valley Electric Association, Matanuska Electric Association, Chugach Electric Association, Homer Electric Association, and the City of Seward
- Incorporated as co-ops in the 1940s.
- The Railbelt serves about 75 percent of Alaska's population.
- The interconnected transmission system is a mix of energy sources:
 - Natural gas
 - Hydropower
 - Solar
 - Wind
 - Diesel
 - Coal

Railbelt Electric Utilities

- Working with Alaska Energy Authority to upgrade and modernize the grid.
 - This is crucial for maximum use of large-scale energy projects.
- Working with IPPs to add diverse energy options.
- Constructing community solar projects to allow more Alaskans to invest in solar energy.
- Railbelt energy costs impact Power Cost Equalization rate for rural communities.

Above all – keeping safety, reliability, and costs paramount.





Alaska Power Association's roles

Convener

Uniter

Collaboration

Representation

Education

Advocacy

Assistance

Thank you!

Crystal Enkvist, Executive Director,
Alaska Power Association

Linda Freed, President, Alaska Power
Association Board of Directors

- cenkvist@alaskapower.org
- +1.907.771.5700
- www.alaskapower.org





ÉNERGIE POSITIVE POSITIVE ENERGY

Public Confidence, Energy Decision-Making and the NTPC

Professor Monica Gattinger

Founding Chair, Positive Energy, University of Ottawa

*Testimony to the Standing Committee on Government Operations,
Northwest Territories Legislative Assembly*



uOttawa

Overview

Context: energy policy and electricity utilities

Public confidence: a three-legged stool

Reforming energy decision-making to build confidence

Key questions for the Committee to consider



*CONTEXT:
ENERGY POLICY AND
ELECTRICITY UTILITIES*

Energy Policy

Energy Trilemma



Finding a ***durable balance*** among economic, security and sustainability objectives that stands the test of time

Durable Energy Policy

Striking a durable balance is forever a work in progress

Balance is shifting (back) towards affordability/economy and security

In Canada, durable balance means a balance that:

- ✓ Secures public confidence
- ✓ Secures investor confidence
- ✓ Respects Indigenous rights
- ✓ Maintains national unity (federally)

Energy Policy and Electricity Utilities

- Growing role in energy transition and electrification
- Transforming mandates (e.g., supporting broader economic and climate goals)
- Pivotal role in public confidence in energy transition and electrification
- Growing role in reconciliation
- Big investors



PUBLIC CONFIDENCE: A THREE-LEGGED STOOL

Public Confidence: A Three-Legged Stool



Citizen leg: people want climate action

Consumer leg: reliable, affordable, safe energy

Community leg: people have concerns about new infrastructure

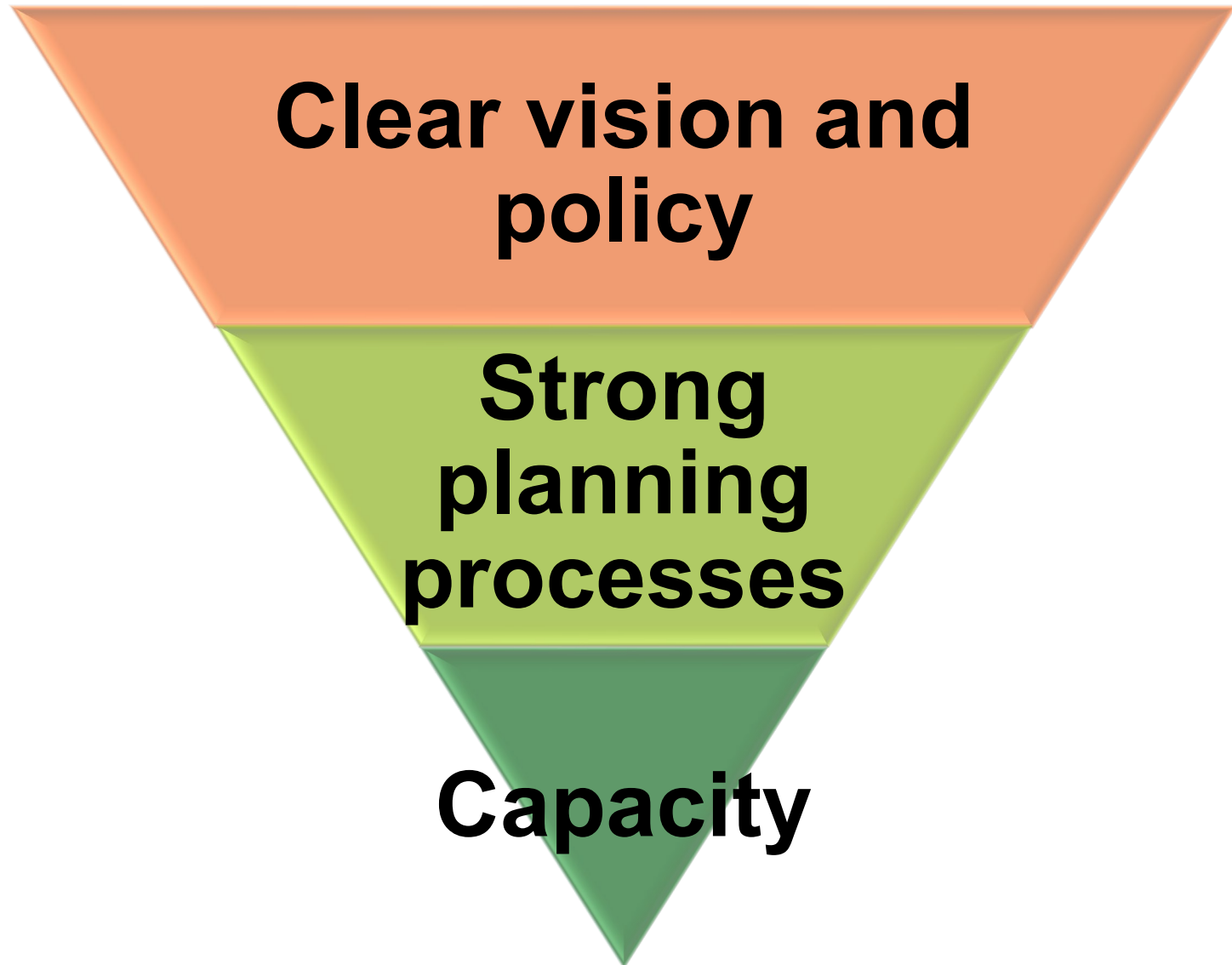


REFORMING
ENERGY DECISION-MAKING
TO BUILD PUBLIC AND INVESTOR
CONFIDENCE

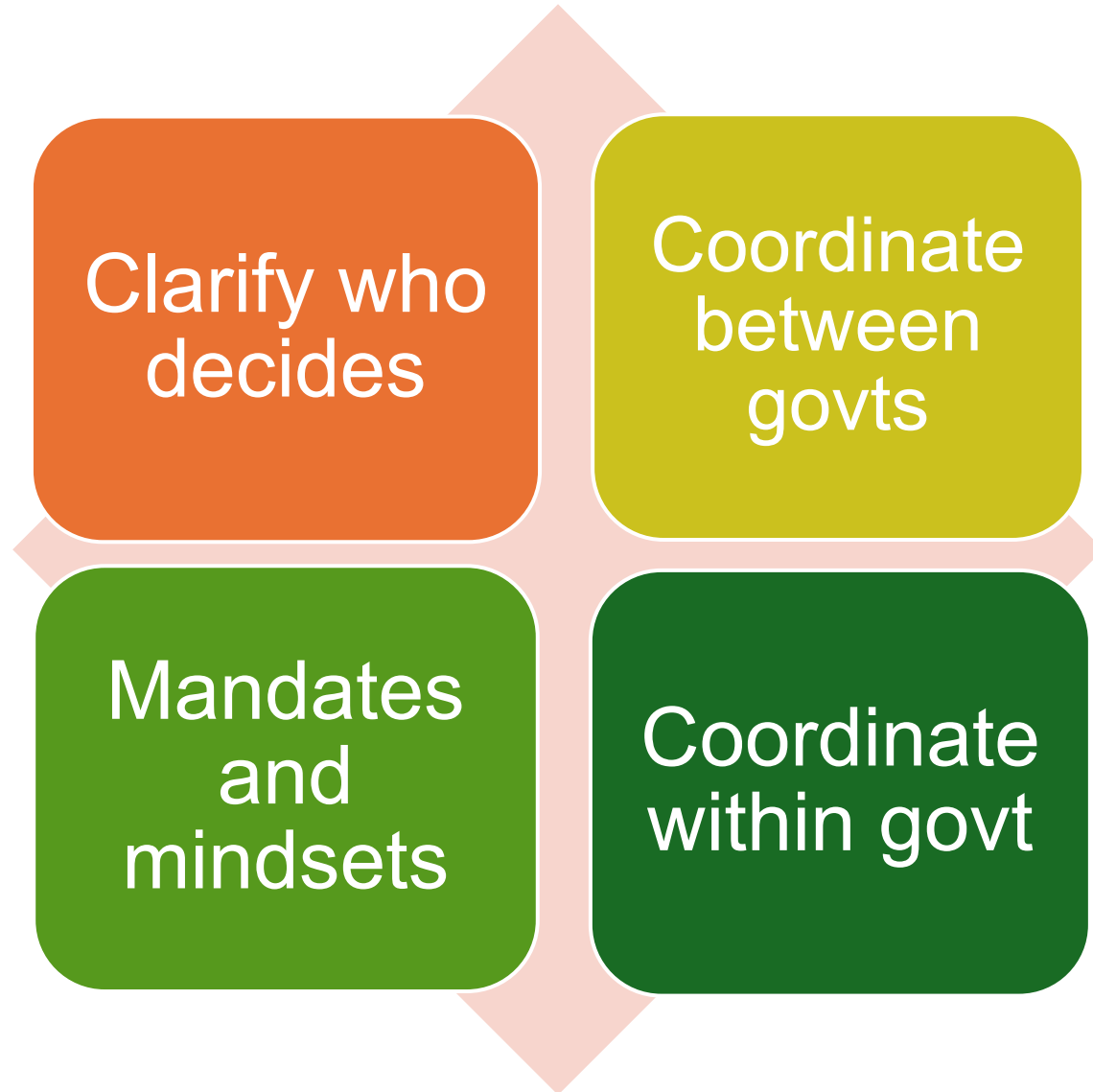
Keys to successful reform

- Timely, clear, predictable decision-making
- Reform entire decision system
- Indigenous relationships

At the broadest level



At the operational level





KEY QUESTIONS FOR THE COMMITTEE TO CONSIDER

Key Questions

- Are reforms to NTPC governance being undertaken through the lens of the entire GNWT energy decision system?
- Is GNWT policy timely, clear and predictable enough for NTPC to understand its role in the broader energy system?
- Will reforms secure confidence of the public as citizens, consumers and community members?
- Will they secure the confidence of the NTPC as an investor?

Key Questions

- Are energy planning processes robust and do the NTPC and other key organizations and rights holders have the capacity they need?
- Is it clear who (GNWT, PUB, NTPC) decides what, when and how for energy and cost allocation (rate base versus taxbase)?
- Are there adequate mechanisms for coordination within government and between governments?
- Do reforms need to be more about changing mandates or changing mindsets (org culture)?

QUESTIONS/DISCUSSION

*For more on Positive Energy:
<https://www.uottawa.ca/research-innovation/positive-energy>*