



MEETING GO 32-20-24

STANDING COMMITTEE ON GOVERNMENT OPERATIONS

**TUESDAY, DECEMBER 3, 2024
DET'ANCHOGH KÍÉ - EAGLE ROOM / ZOOM
9:00 AM**

AGENDA

1. Call to Order
2. Prayer
3. Review and Adoption of Agenda
4. Declarations of Conflict of Interest
5. In-camera Matters:
Committee Business
 - a. NTPC Governance Internal Briefing
 - b. Correspondence:
 - i. 2024-11-05- iGaming, Ameer Barber
 - ii. 2024-11-28 Follow-up to the Indigenous Recruitment and Retention Framework and Action Plan, Minister of Finance
 - iii. 2024-11-28 Energy Rates, Naka Power Utilities
 - c. Committee Workplan
6. New Business
7. Deferred Business
8. Date and Time of Next Meeting: Tuesday, December 3, 2024, 1:00 p.m.
9. Adjournment

Detailed Agenda GO 32-20-24

	Item	Recommendation
a	NTPC Governance – Internal Briefing -Terms of Reference -Workplan -Review of Ministerial Briefing on NTPC	Information and Direction
b	Correspondence: <ol style="list-style-type: none"> 1. 2024-11-05 iGaming 2. 2024-11-28 Follow-up to the Indigenous Recruitment and Retention Framework and Action Plan on Minister of Finance 3. 2024-11-28 letter from Naka Power Regarding Rates 	Information and Direction



Standing Committee on Government Operations Committee Project: Review of the Northwest Territories Power Corporation Governance and Service Delivery Model Terms of Reference

Project Summary

The Northwest Territories Power Corporation (NTPC) is responsible for providing power to customers across the Northwest Territories (NWT). It is a subsidiary of the Northwest Territories Hydro Corporation (NT Hydro), which is 100% owned by the Government of the NWT (GNWT). In addition to providing power, NTPC is the public face of NT Hydro. Its activities are regulated by the NWT Public Utilities Board (PUB).

26 of the 33 communities in the NWT rely on NTPC for electricity. NTPC systems serve approximately 43,000 people in an area of 1.3 million km². Many of the communities NTPC serves are only accessible by air, barge, or winter road. Additionally, NTPC supplies wholesale electricity to two utility companies which, in turn, retail electricity to customers in Yellowknife and the Hay River area. NTPC's facilities include hydroelectric, diesel, and LNG (liquefied natural gas) generation plants, transmission systems, and numerous isolated electrical distribution systems. NTPC also owns and operates alternative energy assets used for the supply of residual heat, solar power, and co-generation.

There are numerous challenges associated with delivering reliable power in the NWT. Moreover, NWT electricity rates are among the highest in Canada.¹ Additionally, many governments, including the GNWT and Government of Canada, are taking steps to reduce reliance on fossil fuels and reduce greenhouse gas emissions (GHGs) which are leading the way for a global energy transition.

Delving into solving the causes of the specific problems experienced in NWT's power sector are beyond the scope of the Standing Committee on Government Operation's ("Committee") mandate; however, it is in the purview of Committee to investigate the

¹ [NTPC's 2024-25 Corporate Plan](#) specifically lists three reasons for the NWT's high electricity rates:

1. In the past decade, electricity sales have declined by approximately half a percent per year as the result of stagnant/declining population as well as little new industrial activity such as mining.
2. Aging infrastructure is also a challenge, as it is for most other North American electrical utilities – infrastructure is not just aging but is reaching the end of its design life, particularly NTPC's hydroelectric assets.
3. There is a prohibitive cost to deliver power in the North given the use of diesel in remote communities and 100% reliance on diesel for back up generation in all communities. The small scale, isolated and non-integrated systems means that there are limited economies of scale available to NTPC.



extent to which NTPC's governance structure, including operational and funding models, is set up in such a way that will contribute to NTPC's ongoing success so that it can effectively respond to – and solve – problems.

It is the GNWT's intent that NTPC will take on new responsibilities, including assets. Balancing new and expanded responsibilities, while responding to worsening challenges in the power market and managing the NWT energy transition will only be possible if NTPC's governance structure is set up in such a way that it is robust and can adequately respond to each of these factors. Additionally, in 2016, NTPC's Board was dissolved, and replaced with Deputy Ministers, raising further questions regarding the Board's neutrality and independence from the GNWT.

For these reasons, Committee's proposed study is timely and can play an essential role in ensuring that NTPC can better achieve its own stated objectives and goals, distribute essential services to the numerous consumers it represents, and respond to delivering on the priorities of the 20th Legislative Assembly and beyond.

Mandate – Scope of Work

Among other things, Committee's mandate includes:

- Reviewing business plans, budgets, and departmental performance of boards and agencies, including the Public Utilities Board and NTPC.
- Considering issues related to government service delivery.

Committee intends that this project will:

- Compile and review available documentation related to NTPC's governance structure, its functions, relationships internally and with Departments in the GNWT, Corporate Plans, and performance against Corporate Objectives and key performance indicators, as applicable.
- Identify gaps, inconsistencies, inefficiencies, and areas that are working well within the existing governance structure.
- Propose recommendations to the GNWT, NT Hydro, and the NTPC Board, as applicable, for improvements that are within the scope of Committee's mandate.

As such, Committee is proposing the following high-level scope to guide its investigation:

In-Scope:

- Mandate and operational model under applicable legislation:
 - Parts of the *Northwest Territories Hydro Corporation Act*, as applicable.
 - Parts of the *Public Utilities Act*, as applicable.



- Relevant authorities and relationship to other boards, agencies, and similar corporations under purview of the GNWT.
- Review of NTPC Annual Filings – Capital Plans, Financial Reports, structure of decision-making authorities, structure of decision trees and decision logs, NTPC Annual Reports, NTPC Corporate Plans, and GNWT Main Estimates identifying funding, contributions, or other monies allocated to NTPC.
- Assessment of the extent to which the governance, administration, and decision-making structure meets the Mandate of the Public Utilities Board which is premised upon independent decision-making, fair, just, and reasonable rates, and that utility operators provide safe, adequate, and secure services to customers.
- Comparative analysis of relevant case studies, as appropriate.
- Review of work done by previous Assemblies, including legislative changes.
- Research questions including, but not limited to:
 - How is NTPC funded?
 - Where the GNWT is concerned, what kind of funding is provided and how are decisions made with respect to budget for NTPC?
 - Is NTPC's current governance structure enabling it to operate effectively?
 - Will NTPC's governance model be adequate for where NTPC needs to go in the future (i.e., under future climate change and energy transition scenarios).
 - What role is NTPC's governance structure playing in specific infrastructure decisions currently being made in the NWT (e.g., charging stations along the highways, solar in Inuvik, Taltson Hydro Expansion, etc.)? Are there inefficiencies that should be addressed?

Out-of-Scope:

- Proposing changes to overarching legislation.

Methodology

The scope of work will involve a combination of desk-based research, stakeholder, and Indigenous Government feedback, data analysis, and synthesis of findings to identify challenges and opportunities within NTPC's governance and corporate structure that Committee can act on within the lifetime of the 20th Assembly. Based on the findings, recommendations will be included in the report.

The project will be guided by principles of transparency, inclusivity, and respect for Indigenous rights and knowledge.

Operations - Timelines

The governance and corporate review, and associated work, is expected to span over **January 2025 to January 2026** with a proposed final report to be presented to the House in the **February/March sitting of 2026**. Specific milestones and deadlines for each phase of the project, including research, stakeholder consultations, data analysis, and report writing will be developed.

Committee briefings will be ongoing throughout the project to ensure that feedback is incorporated into the review process in a timely manner.

Committee will work to establish a fulsome list of stakeholders and relevant subject matter experts to seek further input and information on this topic via interviews, written submissions, and public hearings. Committee may need to balance public and private engagement on this matter with applicable subject matter experts and involved parties who can inform the research questions posed by this study.

It is not anticipated that Committee would travel for this project, however, as engagement begins, there may be a desire to travel if Committee agrees and legislative requirements allow them to do so. Staff have not identified Committee budget implications associated with this project.

Recommendations and Decisions

Committee plans to bring key observations and findings from the study, and recommendations for Government in a report presented in the House.

Priorities of the 20th Assembly

The 20th Assembly has identified four priorities:

- The suitability, accessibility, and affordability of housing.
- A strong economic foundation.
- Access to health care and addressing the effects of trauma; and
- Safe residents and communities.

Successful completion of this project will support a number of the mandate commitments set out by Government.

Committee Project - NTPC Governance

Status Legend

↑	Proceeding as planned
-	Delays
↓	Significant challenges
*	Modifications

Goals	Strategies	2025				2026	
		Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan	Feb
Goal #1 - Compile and review available documentation related to NTPC's governance structure, its functions, relationships internally and with Departments in the GNWT, Corporate Plans, and performance against Corporate Objectives and key performance indicators, as applicable.	1.1 Conduct a review of NTPC Annual Filings - Capital Plans, Financial Reports, structure of decision-making authorities, structure of decision trees and decision logs, NTPC Annual Reports, NTPC Corporate Plan, and GNWT Main Estimates identifying funding contributions, or other monies allocated to NTPC	Committee to receive an internal briefing from staff	Continue internal briefing if needed	Committee to create recommendations for final report	Revisit research questions as listed in the ToR, and ensure Committee has answers for each	Report back to the House	
	1.2 Conduct a Canadian jurisdictional review of the structure of crown corporations and how they work		Staff to begin jurisdictional review				
	1.3 Conduct a northern international jurisdictional review of power corporations, their structures and how they work		Staff to begin jurisdictional review, Committee to receive briefings	Committee to receive internal briefing	Committee to draft recommendations		
	1.4 Review work done by previous Assemblies, including legislative changes	Staff to review work done by previous Assemblies, Committee to receive an internal briefing					
Goal #2 - Identify gaps, inconsistencies, inefficiencies, and areas that are working well within the existing governance structure.	2.1 Invite experts in governance and energy policy for briefings to Committee	Dec 24/Jan 25. Committee to review list of witnesses	Staff to invite witnesses, briefings occur	Briefings occur	Committee to draft recommendations	Report back to the House	
	2.2 Conduct an assessment of the extent to which the governance, administration, and decision-making structure meets the Mandate of the Public Utilities Board which is premised upon independent decision-making, fair, just, and reasonable rate, and that utility operator provide safe, adequate, and secure services to customers			Committee to conduct assessment			
	2.3 Comparative analysis of relevant case studies	Staff to begin compiling case studies	Staff to conduct analysis of case studies	Committee to receive internal briefing	Committee to draft recommendations		
Goal #3 - Propose recommendations to the GNWT, NT Hydro, and the NTPC Board, as applicable, for improvement that are within the scope of Committee's mandate.	3.1 Committee to draft recommendations				Committee to draft recommendations	Report back to the House	

Committee Project - NTPC Governance

List of Presenters for Briefings

Who	Email	Where	Invitation	Briefing Date	Why	Link	Related to which Goal	Notes for Committee
David Brown, Professional Advisor on Corporate Governance and Board Effectiveness								Here is a CBC article that talks about NTPC new board of directors, where Brown is quoted
Adam R. Fremeth & Guy L.F. Holburn	afremeth@ivey.uwo.ca	Western University: Ivey Business School			Fremeth and Holburn conducted research on "the impact of political directors on corporate strategy for government-owned utilities: Evidence from Ontario's electricity distribution sector" and "Best Practice Principles of Corporate Governance for Crown Corporations".	Here is a link to their research on political directors on corporate strategy	Goal #2.1	Here is a link to their research on best practice principles of corporate governance for crown corporations
Katarina Savic & Christina E. Hoicka		Researchers in Governance structures in renewable energy			Savic and Hoicka published an article in the Energy Research and Social Science journal, titled: "Indigenous legal forms and governance structures in renewable energy: Assessing the role and perspectives of First Nations economic development corporations".	Here is a link to their research	Goal #2.1	
Richard Leblanc, Professor of Governance Law and Ethics	rleblanc@yorku.ca	York University			"Leblanc says having independent directors on the board could help bring some industry expertise, while the government officials on the board would bring an understanding of government workings. A hybrid model has the best of both worlds." - Leblanc, CBC article Nov 2024 Leblanc brings to business and professional clients a depth of information from his extensive research and work with board of directors and training and development of leaders and managers. His insight has guided leaders of organization through his teaching, writing and direct consultation to government regulators and corporations.	Here is a link to his research portfolio	Goal #2.1	Here is a CBC article that talks about NTPC new board of directors, where Leblanc is quoted
Kristian Nakstad, Chair	firmapost@statnett.no	Statnett (Norway)			Statnett is the system operation of the Norwegian power system, owning and operating the transmission grid and maintaining the balance between consumption and production, providing you with a reliable power supply at all times.	Here is a link to their website	Goal #1.3	
		Alaska Power Association			Alaska Power Association (APA) is dedicated to assisting our members in accomplishing their goals of delivering electric energy and other services at the best value to their customers. The APA is the statewide trade association that represents the electric utilities that supply power to more than a half-million Alaskans from Utqiaqvik to Unalaska, through the Interior and Southcentral, and down the Inside Passage. The APA is governed by a board of directors composed of representatives from each of the electric cooperative and municipal member utilities. More than 90 percent of Alaskans receive electricity from either a cooperative or a municipal (publicly-owned) utility.	Here is a link to their website	Goal #1.3	



Review of Ministerial Briefing on NTPC

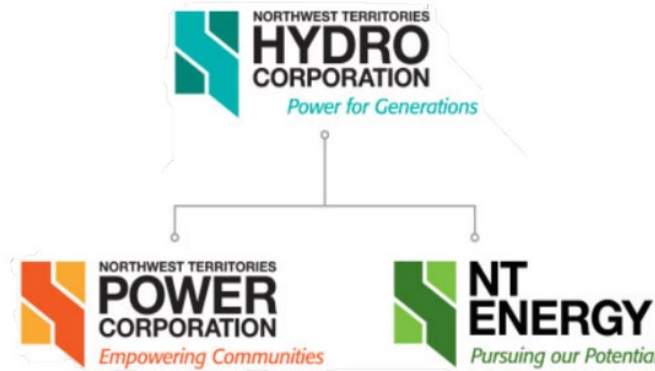
Background

The Standing Committee on Government Operations (Committee) received a ministerial briefing on the Northwest Territories Power Corporation (NTPC) Governance and Alternative Energy from Minister Wawzonek and her staff on June 10th, 2025.¹

Overview of NTPC

- NTPC is a traditional, vertically integrated utility – meaning it generates, transmits and distributes electricity to current and future customers (similar to BC Hydro, Manitoba Hydro and Yukon Energy)
- The NTPC is fully regulated by the Public Utilities Board (PUB) under the *Public Utilities Act*
- NT Energy is the business development company for non-core utility infrastructure such as electric vehicle charging stations, business development, energy planning and industrial and mining engagement. It is not regulated by the PUB

Below is the organizational structure for Northwest Territories Hydro Corporation (NT Hydro), which is the holding company for NTPC and its sister company, NT Energy:



- The structure of the electric system in the NWT is primarily an isolated, non-integrated system – this means that the NWT is not connected to the North American power grid:
 - NTPC has 2 hydro grids that are not connected to each other
 - NTPC provides power to 26 independent communities powered primarily by diesel generators
- The two electric-hydro grids are the Snare-Bluefish system on the northside of Great Slave Lake (GSL) and the Taltson system on the southern side of GSL
 - These systems provide most of the electricity in the NWT

¹ <https://www.youtube.com/watch?v=aLLw957Kpr4&list=PLZiv8ITEMg4fTNmF1zA96bckdduh2UTlc&index=7>



- These two systems are not connected to each other, and they cannot back each other up
- The two systems rely on diesel systems for backup
- Diesel generation on the power system are required under two conditions (and both are happening today):
 - Low water on the snare system
 - Taltson hydro unit is shut down for maintenance
- The conditions have a material impact on cost and greenhouse gas emissions
- There is a requirement under PUB to ensure that isolated communities have enough thermal generation to maintain supply when individual generators are undergoing maintenance

Power Generation (from 2022-2023 fiscal year):

- In a normal year, Hydro provides 75% of total generation,
 - The Snare system has 8 individual hydro units, and the Taltson system has 1
- 17% power generation from Diesel
- 8% power generation from Natural Gas and Purchased Power
- <1% power generation from Alternative or Renewable energy
 - 1 Wind Turbine and 5 Solar Arrays

Challenges

Utility is faced with the energy trilemma: Finding the right balance between Sustainability, Affordability and Reliability.

Historically, diesel generation has been very reliable. However, with supply chain challenges driven by climate change, and price fluctuation from world events, delivering diesel fuel to remote communities is becoming a logistical and costly challenge.

Three of the biggest challenges facing NTPC currently are: 1. Extreme Low Water, 2. High Fuel Prices, and 3. Ongoing Challenges – Inflation/Flat Sales.

Extreme Low Water

- Beginning in the Fall of 2022, low water on the Snare Hydro System has required a significant increase in diesel generation from the Jackfish generating facility in Yellowknife
- Currently in the snare system, the hydro-diesel generation mix is approximately 50-50. When in a normal year, approximately 98% of power in Yellowknife and surrounding communities is supplied by the Snare and Bluefish hydro systems (diesel is typically only required on the coldest days in winter or hydro or transmission outage)



- On the snare rapid headgate, the water levels in 2023 were 11ft lower than normal
- Under normal conditions, NTPC consumes approximately 19 million litres of diesel fuel in a year
- In 2023-2024 with low water conditions, NTPC consumed approximately 45 million litres
- In June 2023, the GNWT provided \$15.2M to provide customers with a temporary rate relief from the impact of low water and high diesel prices

High Fuel Prices

- The impact of low water is compounded by an extreme increase in price of diesel fuel over the past two years
- On average, the price of diesel has increased 40% since electricity rates were last set (December 2021)
 - NTPC has used debt to cover the shortfall and is working with the PUB review process to recover the higher price of fuel from customers
- NTPC continues to work with the GNWT to address financial challenges that result from unfavourable situations (low water and high fuel prices)

Inflation/Flat Sales



- The orange line shows electricity sales, including those to Naka Power for Yellowknife and Hay River
- In fiscal 2014, sales were approximately 317,000 MWh. By fiscal 2023, sales declined to approximately 303,000 MWh
- Over the past decade, electricity sales have declined or remained flat just about every year. Some communities have seen growth, but the overall trend across the NWT has been downward
- Over the same time period, inflation (shown in the blue line) increased approximately 25%. During the same period, the average electricity rate increased by approximately 24%, demonstrating that NTPC has generally been able to keep rates equal to that of inflation.



- Without increased sales from economic activity, just to keep up with general inflation, rates will continue to increase in the future

Opportunities

NTPC is concerned about the impact of climate change, and specifically on the environment. As more renewables are added to the system, there needs to be caution about the impact on rates and system reliability. Where renewables are added to a community that already has sufficient energy generation and is experiencing little or no growth, there can be upward pressure on rates. Finding the balance between a sustainable, reliable and affordable energy system is a challenge, but a challenge that NTPC is embracing.

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 – Completed at 3/6 hydro units
 - Major refurbishment on Taltson is ongoing
 - High-Efficient Diesel Plants
 - Distribution Upgrades
3. Renewable in the North
 - Inuvik Wind
 - Solar
 - Battery Energy Storage Systems
 - Microgrid Controllers

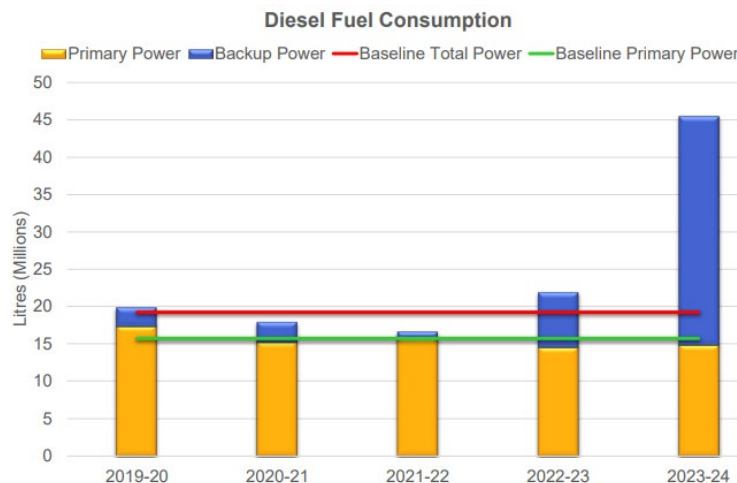
Future/Underway

- All parts of NTHydro will continue to decarbonize electricity grids, and build on a sustainable energy future
- NTPC is working with the Department of Infrastructure to update a resiliency study for the snare zone to determine whether other options are available and affordable to provide backup power to Yellowknife and surrounding communities particularly during low water years as we are experiencing
 - A study was completed in 2016 which concluded that diesel was the most cost-effective and reliable way to provide backup power
- NTPC continues to review the distribution networks to ensure they are capable of increased loads for more customers or new sales. Updates to Whati and Fort Smith have started this fiscal year



- There are several potential mines that could open in the next decade, and NT Energy has been reaching out to these companies. By reaching agreement to provide power to new mining customers, NT Energy would be supporting the economic development objectives of the GNWT. Further, additional revenue for mining customers could be used to mitigate rate increases for existing customers and reduce the impact of inflation
- NT Energy also has the capacity to support GNWT-funded or led projects such as Inuvik Wind, the Fort Providence-Kakisa transmission line, and eventually the Taltson Expansion project. IGs are expressing interest in their energy future and with direct access to federal funding, it is becoming challenging to ensure these energy plans and projects can be integrated into existing community grids in a matter that will maintain reliability. NT Energy can bridge that gap between communities, IGs, and the GNWT by assisting with their energy strategies

Measuring Results



- NTPC measures progress against a baseline diesel fuel consumption from 2017

Governance

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
 - Appointed by the Minister
 - The board provides strategic direction, ensuring alignment with GNWT policy, and provides oversight on matters of performance, planning and rescue



Future Board Composition

- Hybrid Model:
 - After the Department of EIA completed a review of NTPC Governance, the decision in the 19th Assembly was to proceed with a hybrid model, meaning a combination of:
 - Independents: Introduce external skills, expertise and ideas
 - Officials from GNWT: Represent shareholder's interests
 - Working on developing and implementing a strategy that looks at the bigger picture, including what role corporations may have in creating a more sustainable energy future for residents
 - Currently updating recruitment and selection criteria and processes

Examples of Questions Posed during the Briefing

1. At what point do we define this as a crisis and that we have to do business differently?
2. Both politically and operationally – What would be the one thing that would change the game in this crisis?
3. What is happening with the SaskPower business case that was submitted to the Infrastructure Bank of Canada in the 18th Assembly? Can you provide an update on that application?
4. Do we know what the exact cost will be to connect to the continental grid?
5. What percentage of our generation can we convert to renewables under the current regime?
6. Can you speak to the conversations you have had with Indigenous Governments with sourcing fuel in coastal communities?
7. What is the progress on the partnership and conversations between a private company and Indigenous Governments on a potentially game-changing battery storage system for the Inuvik Power Corporation? Is this something that is still on the Department's radar?
8. We have many individual groups that want to be producing power themselves, and many communities wanting to take back control over energy sources in their communities. Does NTPC view independent power producers as competitors? In the sense of a threat to the market share or taking away customers from NTPC. Or does NTPC see the broader public good in having independent power producers and ways to work with them?
9. What are we doing as NTPC to help reduce the cost of power bills?

From: [Cynthia James](#)
To: [Kieron Testart](#); [Lucy Kuptana](#); [Daniel McNeely](#); [Denny Rodgers](#); [Sheryl Yakeleya](#)
Cc: [Julian Morse](#); [Kate Reid](#); [Richard Edjericon](#); [Robert Hawkins](#); [Denny Rodgers](#); [Jane Weyallon Armstrong](#); [Obed Duru](#); [Sophie Kirby](#); [Joseph Labine](#); [Crystal Cockney](#)
Subject: FW: Committee and Letter
Date: November 5, 2024 9:47:43 AM
Attachments: [iGaming - A Barber.pdf](#)
[iGaming - A Barber - SCOGO.pdf](#)

Good morning Committee,

Please see correspondence (email string below and attached) from Ms. Barber to the Chair of the Standing Committee on Public Accounts, Mr. Kieron Testart, regarding request to meet with Committee regarding iGaming.

Please note Ms, Barber has also sent a letter to the Standing Committee on Government Operations.

Cynthia

From: Ameer Barber <amee@protaea.ca>
Sent: November 5, 2024 8:31 AM
To: DST_LEG_Committees <committees@ntassembly.ca>
Subject: Committee and Letter

EXTERNAL: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender's name and email address and know the content is safe.

Good Morning Cynthia,

I am writing because I have met with Mr. Morse and Mr. Testart and was informed that I would be invited to speak to Committee. However, I received the letter when I was away for work and when I returned I moved to a different company (my own practice). I'd still like to take the opportunity to present and have been having chats with Kieron. What do you recommend on this front?

Thank you kindly
(oh and feel free to call my if easier 672 513 2633)

Ameer



November 28, 2024

JULIAN MORSE
CHAIRPERSON
STANDING COMMITTEE ON GOVERNMENT OPERATIONS

**CONTENTS OF COMMUNICATIONS
CONFIDENTIAL BUT PROCESS PUBLIC**

**Follow-up to the September 18, 2024, Letter on the
Indigenous Recruitment and Retention Framework and Action Plan**

Thank you for your letter of September 18, 2024, regarding the in-camera Ministerial briefing on the Government of the Northwest Territories (GNWT) Indigenous Recruitment and Retention Framework and Action Plan (Framework) held on August 28, 2024. As this correspondence relates to the Framework in the broader context of the proposed Indigenous Employment Policy, I am writing to you in accordance with the *Process Convention on Standing Committee Review of Proposed Policy Initiatives and Implementation Plans*. I am pleased to provide the following information requested by the Standing Committee on Government Operations (Committee).

1. With almost 3,000 Job Evaluation requests submitted to date, is the Job Evaluation and Organizational Design unit successfully evaluating all submitted job descriptions within the published 6-to-12-week service standards?

Departments began submitting job descriptions that conform to Framework guidelines in August 2022. According to GNWT records data, between August 2022 and September 20, 2024, 2760 job descriptions have been updated. There are about one hundred additional job descriptions updated by the Department of Finance Strategic Human Resources Division's Job Evaluation Unit.

The Job Evaluation Unit does not have control over the timing or volume of departmental submissions, and fluctuations in timelines occur due to departmental restructurings and conversations with clients regarding specific jobs. These can result in a few job descriptions being submitted for review for some stretches of time and then a deluge. With that said, most submissions are completed within 12 weeks.

2. When are all job description reviews across all departments anticipated to be completed?

There are about 6800 active position job descriptions in the GNWT.

Approximately 2760 job descriptions have been reviewed through the Framework lens over the past approximately 2 years, which is 40%. Based on that rate of submission, it will take 3 more years to complete the process to update all JDs in the GNWT – to September 2027. It should be noted that the Framework updates are often made in conjunction with other necessary updates that require evaluations by trained Job Analysts and are therefore not automatically a simple administrative exercise.

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3. How many Indigenous employees are using the Remote Work Policy to work in their community of residence instead of the Headquarters region?

There is currently one employee utilizing this element of the Remote Work Policy. Under the previous Collective Agreement with the Union of Northern Workers (UNW), Northern Living Allowance was restricted to paying the rate of allowance for the location of the position not the employees' community of residence. This was an area of focus during negotiations with the UNW this round. Now that the new Collective Agreement has been ratified, any new requests for remote work that are approved, will result in employees receiving a Northern Living Allowance based on the NWT community from which they perform their duties. It is anticipated that we will see an increase in the number of employees who utilize the Remote Work Policy.

Given that the Remote Work Policy was introduced in 2022, the Department of Finance will be undertaking a review of the policy in the coming months. The review process will also include the introduction of additional supporting tools and resources designed to assist supervisors and employees in remote work arrangements. It will also examine ways in which the GNWT can facilitate more remote work arrangements that allow residents in communities to fill positions based in Yellowknife.

4. How many employees have been hired using the new "Indigenous eligibility lists for pre-qualified candidates?"

Since April 2023, 12 hires have been made off Indigenous eligibility lists for pre-qualified candidates.

Proposed Indigenous Employment Policy

5. When does the Minister anticipate the review of the recommendations and feedback on the proposed Indigenous Employment Policy provided by the Committee on April 15, 2024, will be completed?

The recommendations and feedback from the Committee on the proposed Indigenous Employment Policy in your letter dated April 15, 2024, were acknowledged via letter dated April 26, 2024, and further reviewed and considered throughout Summer 2024.

I am pleased to advise that Cabinet has approved the Indigenous Employment Policy and that I will provide the Committee with official notification and further information in accordance with Section 7 of the *Process Convention on Standing Committee Review of Proposed Policy Initiatives and Implementation Plans* under a separate cover.

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6. Will the Minister raise the proposed policy with the Council of Leaders?

The Affirmative Action Policy Review and the proposed changes to that policy were presented to the Council of Leaders in December 2022, and an earlier draft of the Indigenous Employment Policy and guidelines was provided to all Indigenous governments for their review and feedback in March 2023. No further feedback was provided by Indigenous governments at that time.

The Department of Finance will continue to engage with Indigenous governments regarding the implementation of the Indigenous Employment Policy, and as noted above, I will be providing the Committee with additional details regarding this process in accordance with Section 7 of the *Process Convention on Standing Committee Review of Proposed Policy Initiatives and Implementation Plans* under a separate cover.

7. What changes will need to be made to the IRRF and Action Plan if the Indigenous Employment Policy replaces the Affirmative Action Policy?

When the Indigenous Employment Policy replaces the Affirmative Action Policy, the Framework will be updated to ensure consistency with the new policy. The Framework is a living document, developed to be responsive to changing needs and support the GNWT to make progress in increasing the representation of Indigenous employees in the public service across all levels of government. For example, the Framework would need to be updated to expand its application of those employees who have identified their Indigenous status under the former Affirmative Action policy to include all Indigenous Canadians.

8. In the Minister's April 26 letter to the Committee, it was pointed out that the Indigenous Employment Policy is a single policy focused on the hiring portion of Indigenous recruitment and retention. Wouldn't it be more appropriate to title it "Indigenous Hiring Policy?"

The Indigenous Employment Policy is intended to promote not just hiring, but continued employment and progression of Indigenous employees within the GNWT. For example, the Policy provides the authority for the GNWT to produce programming like the Framework that supports employees, potential employees, and departments through the many stages of employment from recruitment to retention, such as the Indigenous Career Gateway Program, Indigenous Development Training Program, and many other initiatives.

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9. Is the GNWT developing a policy to apply the Diversity and Inclusion Framework into the hiring and performance development process for equity groups (that will no longer have a hiring policy if the proposed Indigenous Employment Policy replaces the Affirmative Action Policy)?

The GNWT is undertaking a review to determine what policy mechanism, if any, should be developed to support equity group members who would lose priority with removal of the Affirmative Action Policy, such as Indigenous Non-Aboriginal Persons (“P2’s”), Resident Women and Resident Disabled Persons, and other members of equity groups that may not have equitable access to opportunities with the GNWT, such as women, persons with disabilities, visible minorities and 2SLGBTQIA+ people.

10. The Diversity and Inclusion Framework does not speak to hiring, recruitment, or retention. How will the GNWT ensure substantive equity in employment for disabled workers, women workers, racialized workers, and 2SLGBTQI+ workers?

The GNWT is committed to a representative public service and ensuring that all groups are genuinely included, celebrated, and supported to meet their full potential while maintaining and respecting all human rights as part of our recruitment, hiring, and retention processes and practices. The Department of Finance currently offers training to GNWT employees and Managers that address systemic barriers faced by equity groups. These mandatory training sessions include the 2SLGBTQIA+ 101: Inclusive Workplace Awareness training, Unconscious Bias training, and Equitable Workplace training.

The Diversity and Inclusion Framework outlines initiatives and resources that will be developed to help managers and others involved in hiring and recruitment to conduct those processes equitably and inclusively which will include resources to:

- Ensure job postings use inclusive language;
- Apply a diversity and inclusion lens to interview questions and assignments;
- Apply a diversity and inclusion section to onboarding processes;
- Review Job Descriptions to determine systemic barriers including credentials from outside of Canada; and,
- Conduct engagement with willing Black, Indigenous and People of Colour employees regarding systemic barriers that exist in succession planning or accessing employment with the GNWT.

The Department of Finance currently collects data on gender and is researching best practices to gather additional demographic data to measure the underrepresentation of women, persons with disabilities, visible minorities, and 2SLGBTQIA+ people in the public service. As the collection of this type of information, especially for persons who are in visible minorities or 2SLGBTQIA+, is highly confidential, personal and can be potentially harmful, it is important that the Department formulate an evidence-based approach on the most appropriate and least harmful way in collecting this data.

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11. When does the department anticipate it will increase funding for the fully subscribed programs?

The Department of Finance will continue to monitor programs established to recruit and retain Indigenous employees through the collection of data that measures effectiveness and outcomes to ensure that the programs are meeting objectives to determine future funding needs.

12. Provide updated statistics on the number of job descriptions that have been reviewed and the number of job descriptions currently in queue for evaluation with the Job Evaluation and Organizational Design unit.

Approximately 618 submissions have been made to Job Evaluation in the current fiscal year to date: April 1 – September 20, 2024. Of these 618 submissions:

- 506 are completed;
- 10 were withdrawn;
- 7 are on hold pending client input;
- 95 were Casual Statements of Duties (Temporary, no position numbers); and,
- 102 are currently in progress.

The Department of Finance extends its appreciation for the opportunity to present and discuss the Framework in the broader context of the Indigenous Employment Policy. The issues that the Committee raised are ones that require thoughtful consideration in assessing both this program specifically and the GNWT's efforts towards reconciliation in general.

I look forward to providing Committee with notification and further information regarding the Indigenous Employment Policy in accordance with Section 7 of the *Process Convention on Standing Committee Review of Proposed Policy Initiatives and Implementation Plans* under a separate cover.



R.J. Simpson
Premier

- c. Minister of Finance
Members of the Legislative Assembly
Principal Secretary
Deputy Secretary, Premier's Office
Secretary to Cabinet/Deputy Minister, Executive and Indigenous Affairs
Secretary to the Financial Management Board/Deputy Minister of Finance
Clerk, Standing Committee on Government Operations
Advisor, Standing Committee on Government Operations
Committee Members, Standing Committee on Government Operations



November 28, 2024

Via email to Caroline_wawzonek@gov.nt.ca

Dear Deputy Premier Wawzonek:

RE: Request to pause utility rate proceedings to work collaboratively on increased efficiency

As you may know, our utilities, Naka Power Utilities (Yellowknife) and Naka Power Utilities (NWT) (together “Naka”), are owned and managed through an equal partnership between Denendeh Investments Incorporated and ATCO. Our partnership was established over 35 years ago, making Naka one of the first Indigenous-owned, regulated utilities in Canada, and a leader for many examples to follow. Our partnership was recently recognized on the national stage, receiving Electricity Canada’s “2024 Leadership in Community Partners Award”.

Naka is a regulated utility, with costs reviewed and approved by the Public Utilities Board (“PUB”). We have been investing in and operating electric infrastructure in the territory for more than 70 years, and we are one of the largest private investors in infrastructure in the NWT. We are writing to you today to address the pressing need for a fundamental change in policy and direction within the NWT’s electricity sector. Recent challenges have highlighted the urgent requirement for a unified and strategic approach to ensure the sustainability and reliability of power infrastructure.

Our utilities, along with NTPC, have rate applications before the PUB right now, to recover cost increases associated with upgrading and replacing electrical infrastructure, high fuel prices, inflation, massive excess fuel consumption due to drought and the extended Taltson shutdown, as well as the disposition of the Hay River franchise. The rate setting process typically involves a Phase 1 process, where the PUB reviews and approves utility costs, and a Phase 2 process where the approved utility costs are allocated to different rate zones, customer types, and rates are designed.

Adjudicating these applications involves significant administrative, legal, and consulting expertise which results in considerable expense, that will ultimately be borne by ratepayers. With NWT’s relatively small population, we believe that, with some core policy reforms, significant efficiencies can be implemented to reduce rates, which can be incorporated into these proceedings. **Accordingly, this is an opportune time to pause the “Phase 2” or “rate design” aspect of all proceedings to reduce overall utility costs, pursue fair and equitable rates for all citizens, and better position NWT for future success.**

CHALLENGES FACING THE NWT

We are at a critical point in the history of the Northwest Territories with rising costs and increasing economic risks. The NWT’s fiscal situation has recently been described as “dire” and the GNWT has requested an increase to its borrowing limit. Diamond mines are set to close, oil and gas facilities have an uncertain future, and unprecedented floods, droughts, and fires have hit our region. There is a pressing need for housing, health care, and education. Inflation has spiked and supply chains are



constrained, straining affordability for our citizens. The NWT's electricity sector is also impacted, a sector which is critical to economic growth and affects each citizen's standard of living. Recently, the sector has faced fires, droughts, project calamities, and regulatory complexities, creating inefficient and costly outcomes that are affecting NWT citizens. The electricity sector's current challenges include:

Net Zero commitments

The electricity sector across Canada is undergoing an energy transition, where climate targets and new customer behaviours are driving significant technological change on electricity grids, which requires scarce and specific expertise to address, as well as large capital investments. The NWT recently committed to 2050 Net Zero Emissions, which is an admirable goal considering the NWT's vast geography, extreme weather, isolation, low & stagnant population, and significant dependence on diesel generation. These goals must be met with maximum efficiency to minimize further strain on affordability.

Policy Complexity

Underlying policy in the NWT is an added challenge for utilities. Following the GNWT-commissioned 2001 Robertson Report's recommendations to move away from community-based rates, in 2010, the GNWT's "Creating a Brighter Future", created a seven-zone rate system. The seven-zone rate system, where customers pay different rates depending on where they're located and which utility delivers their power, is still one of the most complex rate systems in Canada and adds a significant administrative and regulatory burden, while being supported by a relatively small population. Most other jurisdictions in Canada rely on a postage stamp rate system.

In addition, Naka must continuously defend its franchises from ongoing pursuit from the GNWT and NTPC, which comes at a significant cost for all parties – scarce time and resources are wasted chasing and defending franchises which could be better deployed towards more valuable and productive tasks.

Rate Zone Cross-Subsidization

The rate zone complexity has led to inefficient and unfair outcomes where some customers can receive a significant cross-subsidy from other customers. This is most obvious when reviewing Table 1.1 from NTPC's current rate application before the Public Utilities Board (**see Appendix B**). NTPC's proposed rates for NTPC customers in the Taltson zone only recover approximately 75¢ for every dollar of cost, which will lead to an ongoing **\$5.7MM annual shortfall**. This shortfall must be recovered elsewhere and NTPC has proposed Yellowknife customers pay \$1.08 for every dollar of cost, overcharging Yellowknife \$3.7MM per year (**see Appendix A**). On an annual basis, Naka's residential customers can expect to overpay NTPC ~\$174 so that NTPC can provide its Taltson residential customers with over a \$1,000 discount. This is an obvious unlevel playing field where NTPC is effectively "robbing Peter to pay Paul", and **it is wrong that our customers in Yellowknife**



must subsidize NTPC's rates in the Taltson Zone (which were promised by NTPC to "win" the Hay River franchise).

It is not just our company that is concerned with NTPC's rates. In a rate hearing in January of this year, the PUB questioned NTPC's sworn witnesses about the rates promised to Hay River. During the exchange, NTPC testified that the Taltson Zone shortfall is expected to result in cross-subsidization from customers in the Snare Zone. The PUB also questioned whether NTPC's offer of reduced rates in Hay River was a temporary reduction to win the franchise. Additionally, it was clear from the exchange that there were no plans or assurances that NTPC would address the cross-subsidies in the future.

Apart from the considerable administrative and regulatory costs associated with pursuing and defending the Hay River franchise, and in addition to the ongoing deficit from unsustainable rates that NTPC has promised, **the final transaction for the Hay River franchise will cost the NWT at least \$26MM.** Considering the NWT's dire fiscal situation, it is difficult to make sense how the current direction is in the best interest of the NWT.

SOLUTIONS

In early 2023, Naka provided feedback on various draft directions for the NWT power system. While Naka believes these draft directions are future-focused and important, there are more fundamental, core changes that are needed to increase efficiency, lower overall utility costs, and position NWT for future success.

1. **Implement a Territory-wide Rate System:** The NWT has one of the most complex rate systems in Canada, with one of the lowest populations to support it. The current rate system is disjointed and unfair, and asks Yellowknife customers to subsidize billing to NTPC customers, including *government* customers: 1) that results in lower bills for NTPC customers than what is paid in Yellowknife, and 2) that are significantly below the cost-to-serve those customers. Clearly, there is no justification for this. While some level of rate cross-subsidization is acceptable and even necessary in the NWT, all customers, regardless of their utility provider, should be treated equally.

Implementing a Territory-wide rate system will simplify rate administration, address this inequality, and ensure that all residents and businesses in the Northwest Territories have access to electricity at fair and consistent rates, regardless of their location or utility service provider. A unified rate system can also simplify billing and reduce administrative overhead. Naka's affiliate utility in the Yukon can attest to the success of this underlying policy in realizing administrative and regulatory efficiencies, as well as operational efficiencies, from shared billing systems between ATCO Electric Yukon and the Yukon Energy Corporation. A Territory-wide rate system will also ensure various forms of government subsidization are equitably distributed amongst ratepayers.

2. **End NTPC's Pursuit of Naka's Franchises:** We urge the government and NTPC to cease their pursuit of Naka's franchises. NTPC's ongoing pursuit of our franchises has added significant



administrative, consulting, legal, and regulatory costs to both utilities and it distracts the GNWT, NTPC, and Naka from more focused, productive aims. The NWT has many other issues that could benefit from reducing the distraction of pursuing and defending franchises. We are proud of our company for its historic equal partnership between local Dene and ATCO, and our decades-long partnership has been celebrated on the national stage. We believe NTPC's ongoing pursuit of our franchises works in direct opposition to GNWT's stated goals for reconciliation, which is compounded by the overall lack of transparency and overall lack of economic rationale for the Hay River takeover. By allowing our company to retain its franchises, we can all focus on improving service delivery and investing in the future of the NWT's power grid.

3. **Streamline Utility Functions:** A comprehensive review aimed at streamlining various utility functions is needed, including customer service, distribution wires, transmission wires, and generation. By consolidating and streamlining these functions, we can improve efficiency, and significantly reduce costs.

These proposals will lower overall costs in the NWT's electricity sector, improve economic sustainability of the grid, keep local First Nations involved in infrastructure ownership, and better position the NWT for future success.

As above, we respectfully request your support in pausing the Phase 2 component of the utilities' current rate applications to collaborate openly on a better and more efficient rate design structure in the NWT. This may require a Direction to the Public Utilities Board – we have also copied Gordon Van Tighem, the Chair of the PUB, on this letter and we have made a similar request in our recent application.

We look forward to your support and collaboration in this endeavor.

Sincerely,

A handwritten signature in black ink, appearing to read "Jay Massie".

Jay Massie, Vice President, Northern Development and Indigenous Relations

cc:

Gordon Van Tighem, Chair of NWT Public Utilities Board

Steve Loutitt, Deputy Minister, Infrastructure, and Chair of the NTPC Board of Directors

Vince McKay, Minister Responsible for the Public Utilities Board

Darrell Beaulieu, President and CEO, Denendeh Investments Incorporated, and Chair, Naka Power Utilities (NWT) and Naka Power Utilities (Yellowknife)

Julian Morse, Chair of Standing Committee on Government Operations



APPENDIX A – VISUALIZATION OF NTPC’S COSTS & RATE REVENUE



Figure 1a. NTPC’s proposed revenue recovery, showing ongoing shortfalls/surpluses (\$MMs) by rate class. (From Table 1.1 of NTPC’s 2024-2026 General Rate Application.)

There is a material ongoing shortfall created by NTPC’s proposed rates for its Taltson Zone customers. NTPC has proposed for the shortfall to be recovered, in part, from Naka’s customers in Yellowknife.

Figure 1b. NTPC’s costs and proposed rate revenues (\$MMs) from Table 1.1 of NTPC 2024-26 GRA.

NTPC has proposed to significantly under-recover its costs-to-serve from its customers in the Taltson zone and over-recover its costs-to-serve Naka’s customers in Yellowknife.

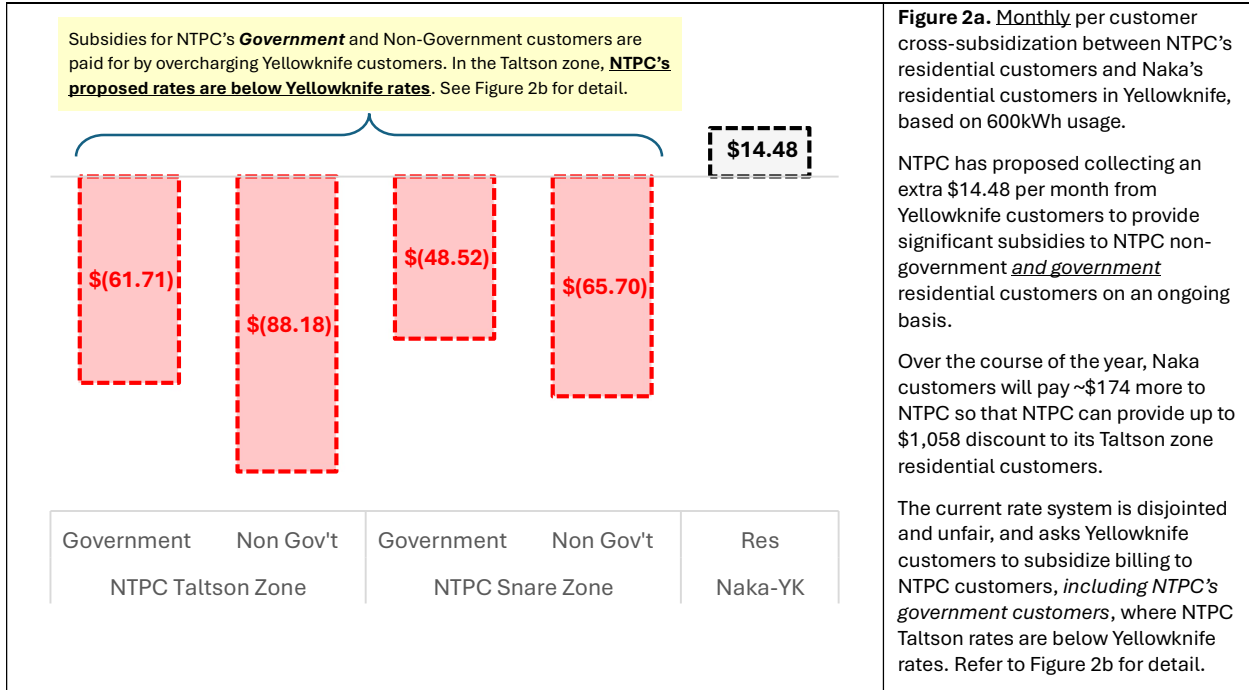


Figure 2a. Monthly per customer cross-subsidization between NTPC's residential customers and Naka's residential customers in Yellowknife, based on 600kWh usage.

NTPC has proposed collecting an extra \$14.48 per month from Yellowknife customers to provide significant subsidies to NTPC non-government and government residential customers on an ongoing basis.

Over the course of the year, Naka customers will pay ~\$174 more to NTPC so that NTPC can provide up to \$1,058 discount to its Taltson zone residential customers.

The current rate system is disjointed and unfair, and asks Yellowknife customers to subsidize billing to NTPC customers, *including NTPC's government customers*, where NTPC Taltson rates are below Yellowknife rates. Refer to Figure 2b for detail.

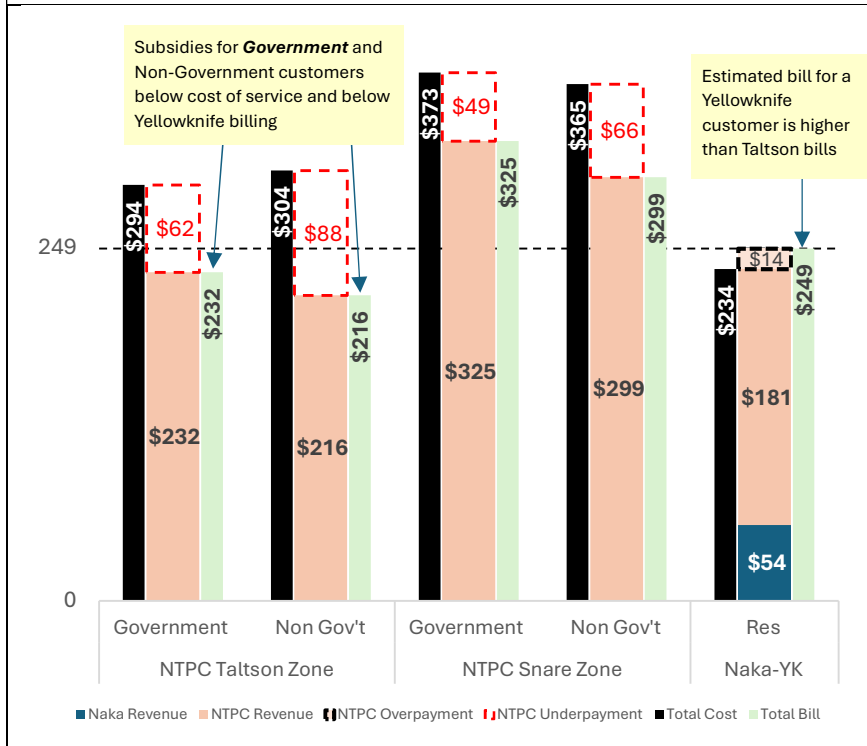


Figure 2b. Monthly individual bill detail for NTPC's residential customers and Naka's residential customers in Yellowknife, based on 600kWh usage. Bill detail shows difference between costs to serve and amounts billed to customers, along with revenue breakdown.

Note NTPC has proposed to subsidize its customers in Taltson zones that are 1) below billing for Yellowknife; 2) applied for Government customers; and 3) are significantly below the cost to serve.

While some level of cross-subsidization is acceptable and even necessary, a territory-wide rate system can address the fundamental unfairness shown in this chart.


APPENDIX B – TABLE 1.1 FROM NTPC 2024-26 GENERAL RATE APPLICATION (GRA)

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%	