



MEETING EDE 45-19-20

**STANDING COMMITTEE ON ECONOMIC DEVELOPMENT
AND ENVIRONMENT**

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TUESDAY, DECEMBER 8, 2020
COMMITTEE ROOM 'A' / TELEMERGE
9:00 AM

AGENDA

1. Prayer
2. Review and Adoption of Agenda
3. Declarations of Conflict of Interest
4. Public Matters:
 - a) Briefing on the NWT Indigenous Leader Economic Coalition with Darrell Beaulieu, CEO Denendeh Group of Companies
 - b) Briefing on the Office of the Regulator of Oil and Gas Operations with Pauline de Jong, Executive Director.
5. In-Camera Matters:
 - a) Wrap-up Discussion
6. Date and Time of Next Meeting: At the Call of the Chair.
7. Adjournment



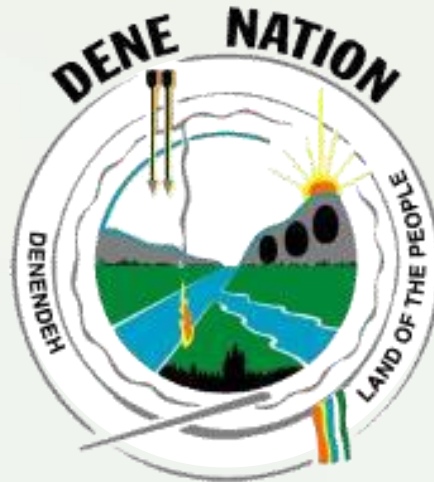
NWT **INDIGENOUS LEADERS** ECONOMIC COALITION

Coalition Presentation to the Standing Committee on
Economic Development and Environment

October 22, 2020



Who We Are

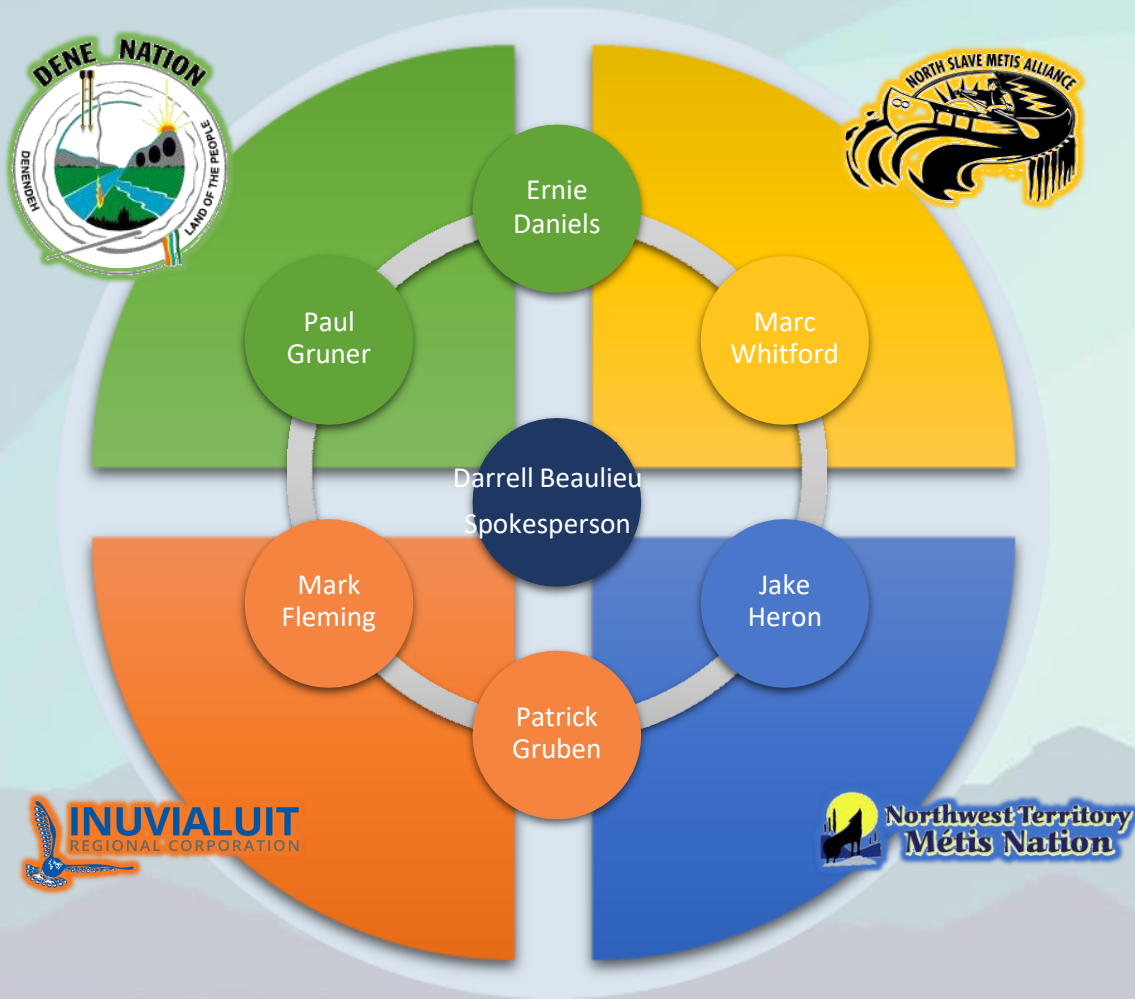


We represent the combined economic potential of the Indigenous people whose ancestral territories cover the Northwest Territories.

While we each represent distinct and resourceful Indigenous communities pursuing our own interests, we will come together to take on the complex territorial challenges that threaten our future prosperity.

Together we will be the catalyst to grow and diversify the economy that sustains our people for generations to come.

Investor Committee Mandate



- Represent the interests and values of the Indigenous coalition members
- Direct due diligence and research to identify Investment Opportunities that best fits the approved investment criteria and guiding principles
- Approve specific Investment Vehicles for Opportunities
- Secure formal support from governments and industry
- Circulate a high-level project investment briefing to all Indigenous Coalition Members with a non-disclosure agreement (NDA) for interested parties
- Deliver Investors' meetings

The willingness to collaborate has been demonstrated

Indigenous Gatherings:

June 19, 2014

Fort Smith

Dene Nation Assembly

Outcome:

Dene Nation Motion directing DDC to take a leadership role and work with other Indigenous governments to support controlled resource exploration and development and to establish export corridors that will contribute to long-term social and economic benefits

May 16, 2018

Yellowknife (DDC)

**NWT Indigenous Leaders
Economic Planning Forum**

Outcome:

Leaders confirmed their will to work together based on traditional values of sharing and helping each other, and focusing on Indigenous ownership.

Leaders mandated a larger Forum to involve more Indigenous community economic leaders

December 11-12, 2018

Yellowknife (DDC)

**NWT Indigenous Leaders
Economic Forum**

Outcome:

Indigenous leaders identified action plans for various economic sectors and mandated the formation a Working Group, hire Consultants to produce a Five-Year Plan and follow up with a 2019 Forum

December 11-12, 2019:

Yellowknife (DDC)

**NWT Indigenous Leaders
Economic Forum**

Outcome:

A Framework for 5 Year Strategic Plan was presented and and consensus received for moving forward . A Joint Communique was released expressing the continued will to work together.

GNWT Gatherings:

October 1-3, 2018

Inuvik

**GNWT Economic
Symposium**

Outcome:

Participants acknowledged the NWT economy had diminishing revenue streams and few current prospects for resource development. The symposium supported the development of a business case for major projects and review of GNWT policies on economic measures

June 18, 2019:

Yellowknife

**GNWT Economic
Symposium**

Outcome:

A Framework for Moving Forward was presented which addresses regulatory regimes, mineral strategies, alignment with the NWT Indigenous Leaders Economic Coalition, and, as a first priority, the creation of a NWT Natural Resources Venture Capital Fund

Who We Are Not

We are not intended to displace Indigenous development corporations or any other NWT Indigenous entities

Our work will not disincentivize development corporation's aspirations to build and grow

**We are
not...**

We will not compete for projects with regional or other NWT Indigenous entities

We will not act as a Chamber of Commerce nor a one stop for Project consultation

Our Guiding Principles

There is strength in numbers, but participation must be voluntary

- Coalition members may choose to participate in any investment opportunity brought forward.
- Coalition members will be presented with qualified investment opportunities, but are expected to conduct their own due diligence in order to make an informed investment decision.
- No Coalition member will be obligated to participate.

No representation, derogation or interference with rights

- The Coalition will not pursue investments which are seen as having negative or opposing impacts on the rights, or similar claims/legal actions/negotiations, of any Coalition member(s).
- The Coalition's review of a project is not a signal of regulatory approval or a derogation of rights on the part of any Coalition member.
- Consultation with the Coalition is not to be considered collective consultation with any individual Coalition member.
- The Coalition's review of any project does not remove or otherwise change the "duty to consult" which would apply to the project and its proponent(s).

No competition with individual members

- It is expected that the Coalition will invest in major projects which have significant capital requirements, or projects of strategic importance to economic development.
- The Coalition will focus on those projects that are beyond the capacity of any individual Coalition member to pursue; it will not compete against existing Coalition members.
- Coalition members may choose to invite the rest of the Coalition to participate in an investment opportunity, even if they have the capacity to pursue by themselves.

Economic benefits are proportional

- Each Coalition member is expected to share in the profits from Coalition investments, in proportion to their share of the investment.
- Whether they are investors in a Coalition project or not, each Coalition member is still entitled to the same accommodations/benefits that would be owing to them as a result of any impacts that a project has on their rights, their lands and the use of those lands.

Target Sectors Identified

During previous gatherings, NWT Indigenous leaders identified target sectors of immediate and/or critical need for NWT economy. **The three “Target Sectors” were as follows:**



Transportation Infrastructure

- All season roads and access corridors
- Bridges
- Ports



Energy

- Generation
- Transmission



Housing

- Construction
- Development
- Procurement

Magnitude of Projects

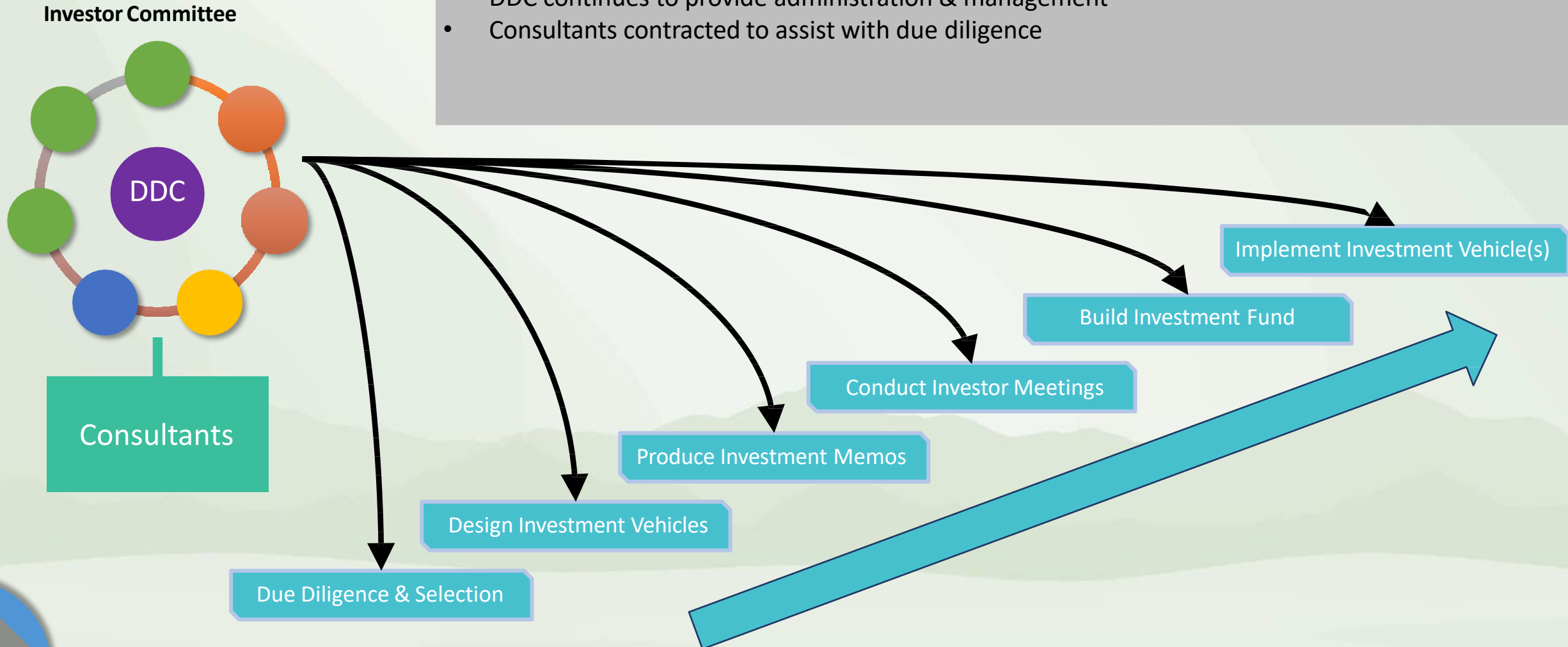
The scale, scope and magnitude of projects in the NWT vary significantly but all of the identified projects require collaboration and will result in a significant economic impact on NWT

Project	Category	Estimated Cost
Slave Geological Province Corridor	Transportation/Energy	\$1.1B
Taltson Dam Expansion	Energy	\$1.2B (2014)
Mackenzie Valley Highway	Transportation	\$700M
NTPC Utilities Ownership	Energy	\$200M
Hotel	Real Estate	\$30M
	RANGE:	\$30M – \$1.2B

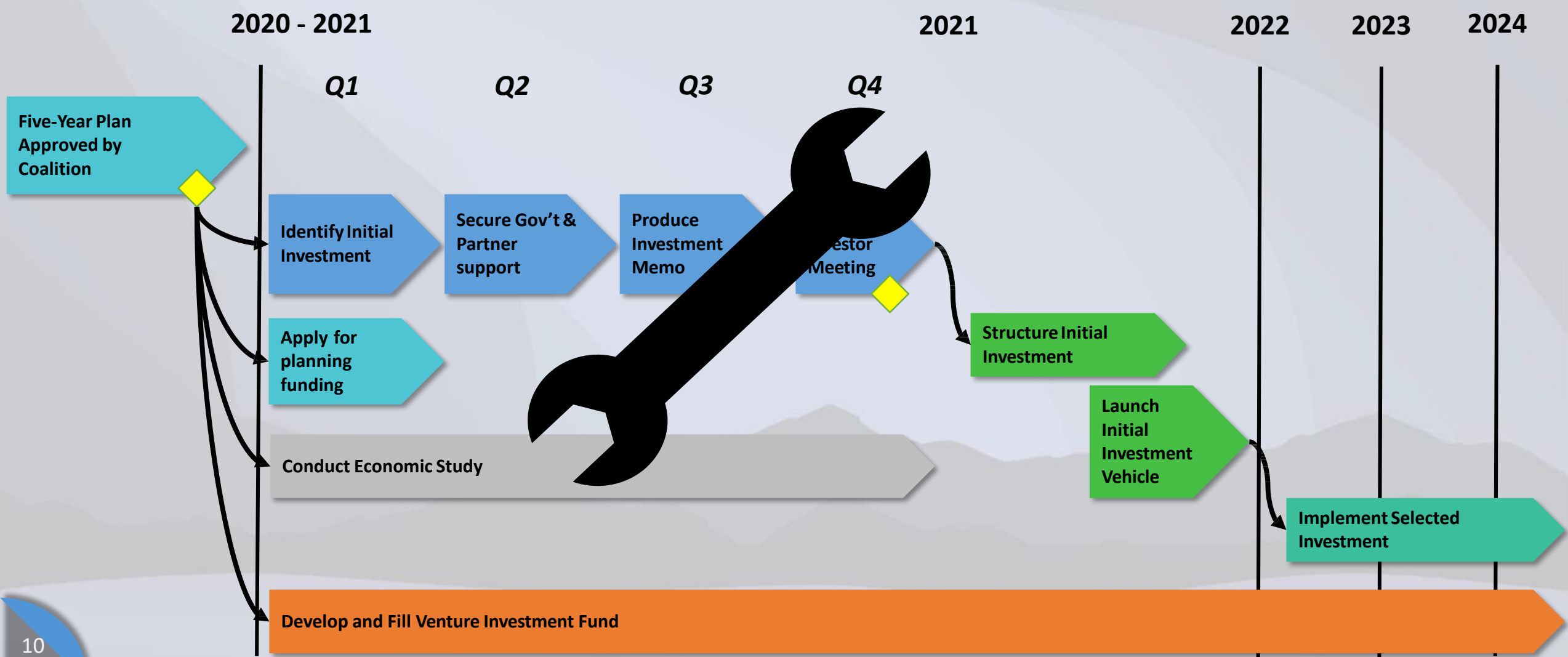
What makes our Coalition unique is that we are not only potential investors, but we are all members of this community. We have many options to engage capital, but we want to create a mechanism that allows us to generate a benefit for ourselves and become owners in projects that will attract private investments and create lasting impacts in the NWT

Proposed Governance & Administration

- Investor Committee to provide overall direction
- DDC continues to provide administration & management
- Consultants contracted to assist with due diligence



5 Year Timeline – DELAYED due to Covid



Go Forward Funding

Commencing Spring 2020, DDC applied for the funding required to facilitate work of the Investor Committee. GNWT has recently committed \$50,000 for 2020-21 and CanNor Yellowknife are recommending \$200,000 (to CanNor Ottawa) for the 2020-21-22 Fiscal year.

Funding Proposals Submitted

Based on a 5 year budget
of \$3.9m

Target Funders:

- GNWT
- CanNor
- INAC

Funding Activities:

- Investor Committee meetings
- Project Due Diligence
- Investor Meetings
- Accounting and Reporting
- Project Manager
- Creation of Investment Fund

**Examples where the
Coalition may monetize the
GNWT while establishing
collaborative partnerships**



Real Estate Considerations

Identify GNWT-owned property, value and strategic need.
GNWT could prioritize the sale or lease of these properties in order of priority to maximize value.

Options could include:

Outright sale or lease to Indigenous enterprises of surplus property

Sale with GNWT leasing back the property



Outsourcing Facilities & Services

- Various aspects of outsourcing could be targeted at Indigenous enterprises including:
 - Fuel and fuel delivery services
 - GNWT building maintenance
- Should include clear expectations of the GNWT (i.e. mandatory requirements)
- Targeting an initial 10-20 per cent cost reduction



Electric Service in NWT

Both NTPC and Northland Utilities sales are flat or declining, yet costs pressures are increasing
Rather than pursuing franchise battles, the GNWT could consider capturing a premium value of the assets by offering to either:

- Privatizing NTPC would deliver top dollar for the assets

- Create a P3 entity that would combine the utilities, eliminating duplication, while still capturing cash and earnings for the GNWT

- Both scenarios

 - could also require that no staff reductions would occur in the first three to five years
 - would reduce future capital requirements of the GNWT for system improvements



Questions?



Briefing to Standing Committee on Economic Development and Environment



December 8, 2020
Yellowknife

OROGO

NWT OFFICE OF THE REGULATOR OF OIL AND GAS OPERATIONS

BOROPG

BUREAU DE L'ORGANISME DE RÉGLEMENTATION DES OPÉRATIONS PÉTROLIÈRES ET GAZIÈRES DES TN-O

Establishment

- OROGO was established on April 1, 2014.
- The Commissioner in Executive Council designated Pauline de Jong as the Regulator on August 2, 2020.
- The Regulator has responsibilities under:
 - *Oil and Gas Operations Act*
 - *Petroleum Resources Act*
 - *Mackenzie Valley Resource Management Act*

Mandate

- OROGO regulates oil and gas activities in order to:
 - Ensure human safety
 - Protect the environment
 - Conserve oil and gas resources
- OROGO has no mandate to promote development.

Strategic Plan

Mission

We regulate oil and gas activities to keep people safe and protect the environment where we live and work.

Strategic Objectives



Enhance certainty and predictability in our actions and in regulatory decisions.



Promote accessibility and transparency in our work.



Build and maintain resilient working relationships.



Grow oil and gas regulatory capacity in the Northwest Territories.

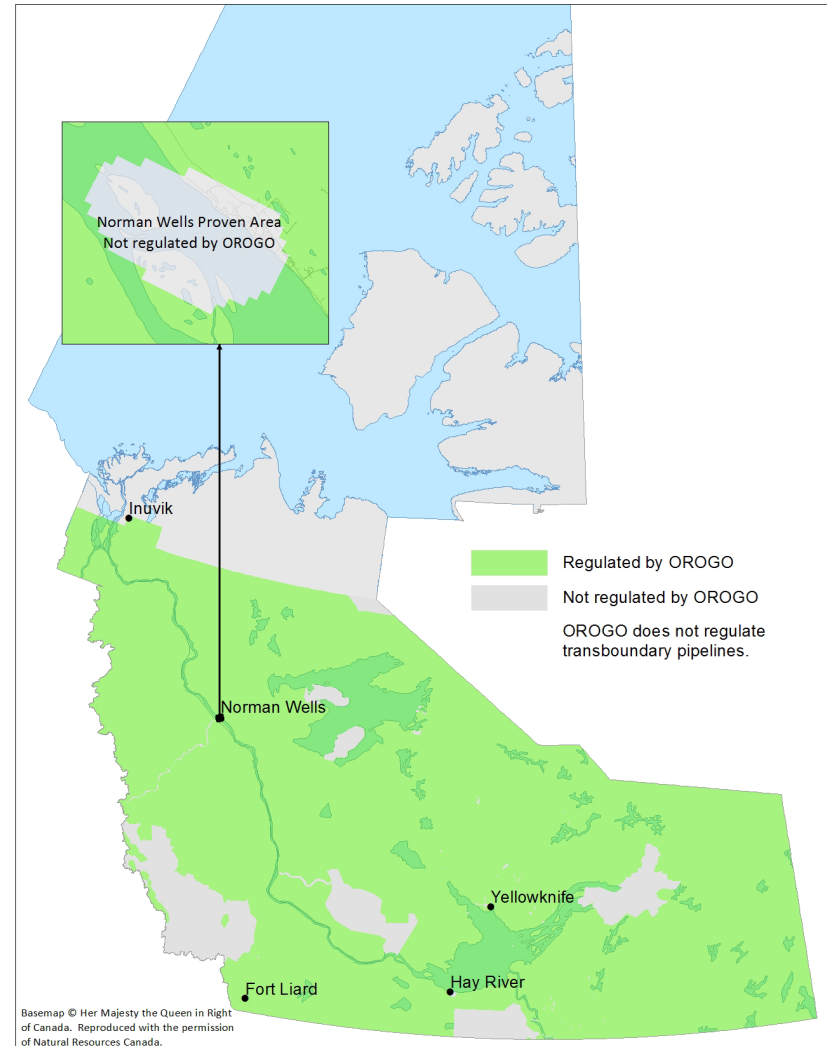
Vision

OROGO is a respected and effective regulator grounded in the values of Northerners.

Jurisdiction

Onshore NWT except:

- Inuvialuit Settlement Region
- Retained federal lands
- Transboundary pipelines



Responsibilities

Under OGOA:

- Issue Operations Authorizations and Well Approvals
- Inspections
- Incident response
- Issue Guidelines and Interpretation Notes

Under the PRA:

- Issue Significant and Commercial Discovery Declarations

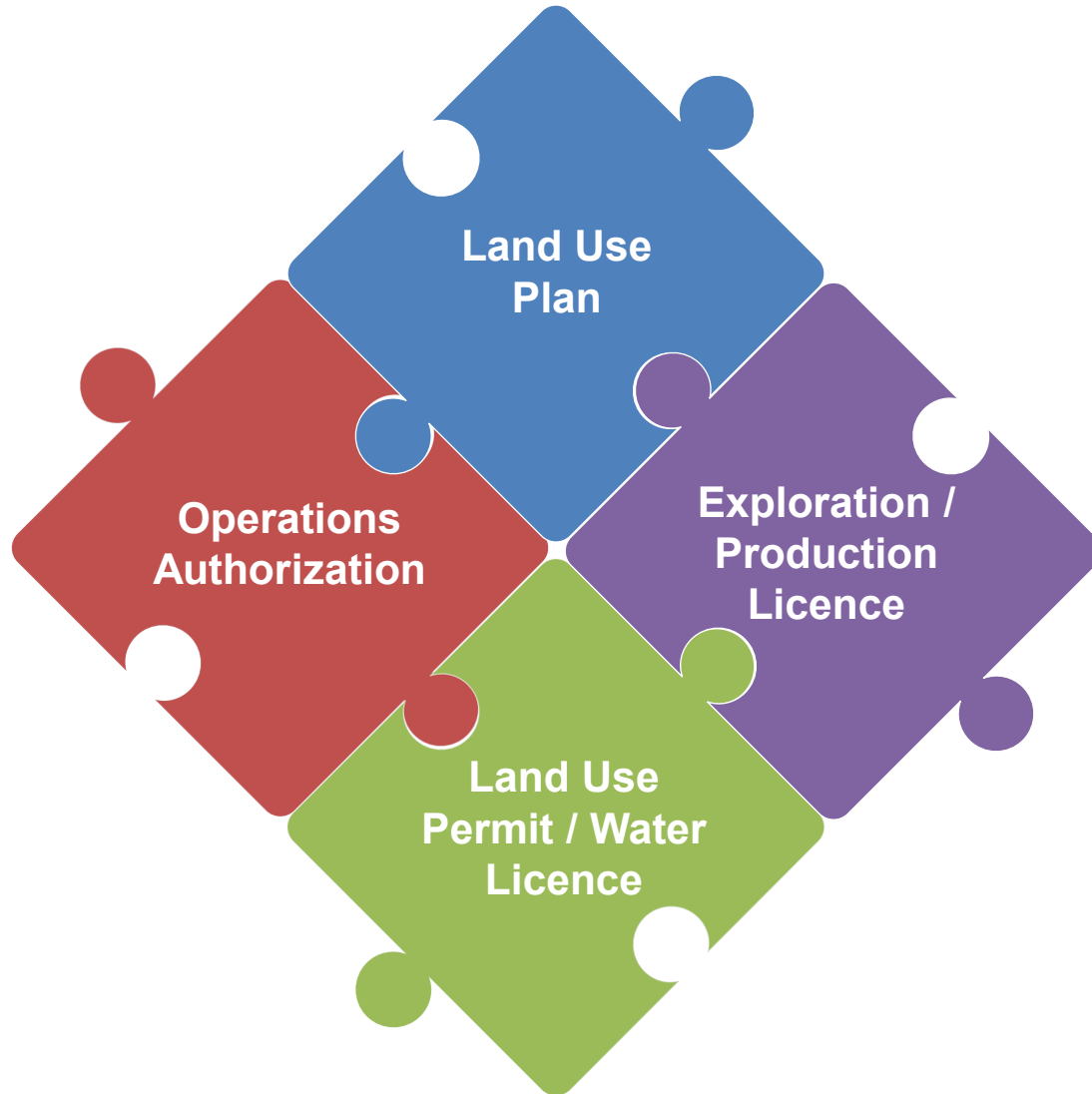
Under the MVRMA:

- Preliminary Screening
- Land Use Plan conformity

Service Agreements

- OROGO has service agreements in place with the Alberta Energy Regulator (AER) and the Canada Energy Regulator (CER)
- The service agreements are for technical advice and support only
- OROGO also uses other contracted expertise when required

Oil and Gas Resource Management



Oil and Gas Activity

Regulated activities in 2019-20:

- 2 well abandonments in the Dehcho region
- 3 well suspensions in the South Slave region
- Required operator-led suspended well inspections.

Anticipated activities in 2020-21:

- 15 well abandonments in the Dehcho region
- 2 well abandonments in the Sahtu region
- Ongoing operator-led suspended well inspections

Inspections and Incidents

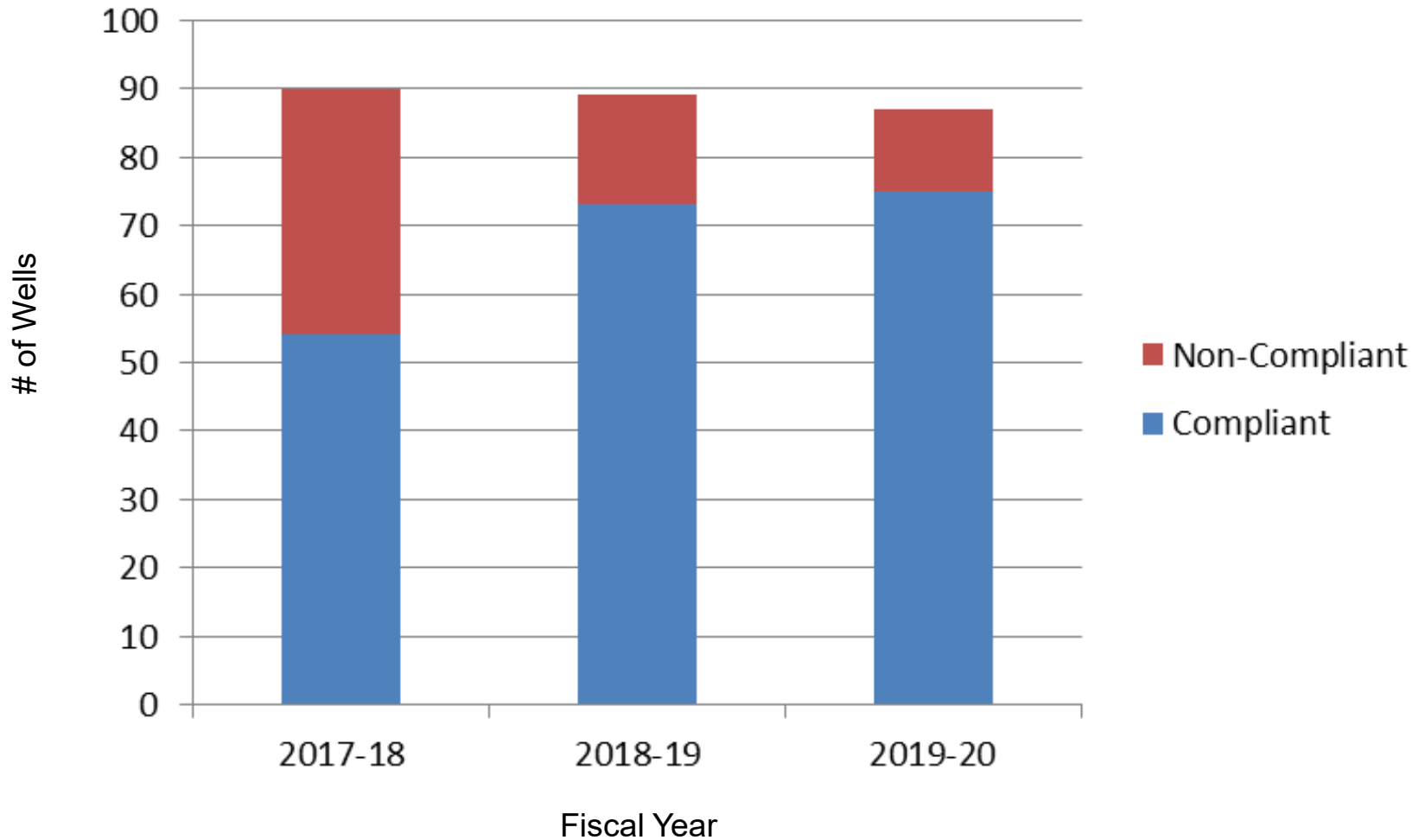
In 2019-20, OROGO:

- Conducted five on-site inspections in the Dehcho and South Slave regions and in Inuvik;
- Reviewed all operator-led suspended well inspection reports; and
- Reviewed all operations and annual reports.

In 2019-20 operators reported:

- 2 Incidents – Environmental
- 1 Incident – Injured Worker
- 1 Incident – Safety and Environmental
- 2 Near Misses – Safety and Environmental

Suspended Well Status



Guidelines and Interpretation Notes

Issued in 2020-21:

- *Public Access to Information*
- *Public Hearing*
- *Document Submission*

In development (by March 31, 2021):

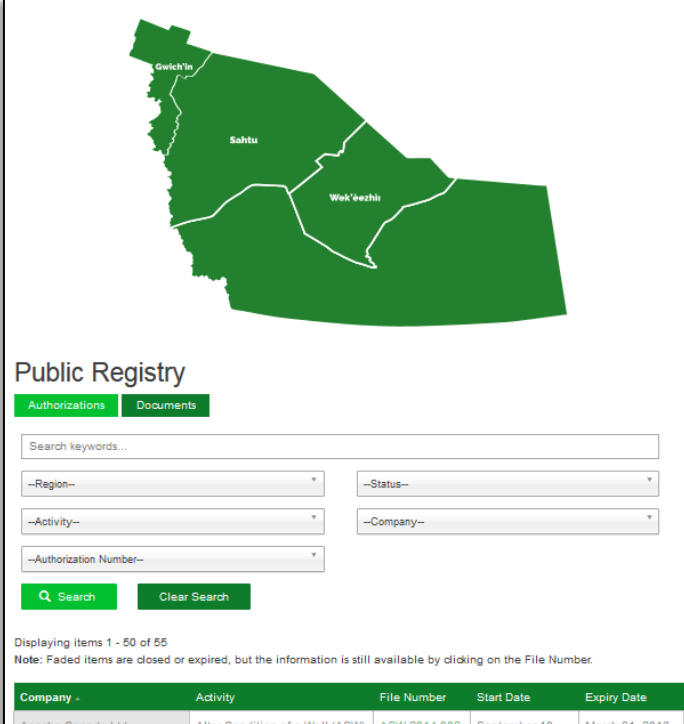
- *Applications for Well Suspension or Abandonment*
- *Contingency Plan*
- *Proof of Financial Responsibility*

Accessibility

Item	2019-2020	Apr-Nov 2020
Public Inquiries	103	68
Well History Files	404	1,501
Seismic Files	9	13

Updated Public Registry

- Amended OGOA allows more documents to be made available.
- Partnered with the Land and Water Boards of the Mackenzie Valley to use the same platform and similar interface.



The screenshot displays the 'Public Registry' interface. At the top, there is a map of the Mackenzie Valley region, divided into three areas: Gwich'in, Sahtu, and Wek'eezhii. Below the map, the title 'Public Registry' is followed by two tabs: 'Authorizations' (selected) and 'Documents'. A search bar is present with the placeholder text 'Search keywords...'. Below the search bar are four dropdown menus: '--Region--', '--Status--', '--Activity--', and '--Authorization Number--'. There are two buttons: a green 'Search' button with a magnifying glass icon and a 'Clear Search' button. Below the search filters, it says 'Displaying items 1 - 50 of 55' and a note: 'Note: Faded items are closed or expired, but the information is still available by clicking on the File Number.' At the bottom, there is a table header with columns: 'Company', 'Activity', 'File Number', 'Start Date', and 'Expiry Date'. The table content is partially visible and faded.

Other Activities

- Well Watch Program
- Participation in conferences and tradeshow
- Maintaining relationships with other regulators:
 - NWT Board Forum
 - Western Regulators Forum
 - Interstate Oil and Gas Compact Commission
 - Memoranda of Understanding
- Oil and gas regulatory capacity building



NWT OFFICE OF THE REGULATOR OF OIL AND GAS OPERATIONS

Questions?

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Follow us on Twitter: [@OROGO_NWT](https://twitter.com/OROGO_NWT)



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