

Government of  
Northwest Territories

January 09, 2025

SHAUNA MORGAN  
MLA, YELLOWKNIFE NORTH**Oral Question 305-20(1): Heating Oil**

This letter is to follow-up on questions you raised in the Legislative Assembly on October 17, 2024, with respect to heating oil, wood pellet supply chains, the fuel supply and associated rising costs in Norman Wells, as well as energy security in the Sahtu at large.

In recent decades, the Government of the Northwest Territories (GNWT) has been actively converting its buildings to biomass heating where economically and technically feasible. While the initial driver was to lower GNWT operational costs and greenhouse gas (GHG) emissions, the initiative led to the development of wood pellets supply chains in all Northwest Territories (NWT) regions, supporting local economic development, and allowing organizations to convert to wood pellets. The GNWT has been instrumental in creating supply chains for wood pellets in many NWT communities. As of 2023-24, approximately 32% of GNWT building heat is supplied by biomass, with 52 biomass projects operating in 16 communities. Wood pellet costs are much more stable than other heating fuels, which provides users some buffer against commodity price shocks.

In 2023, the GNWT partnered with Nihtat Energy Limited to examine whether barge-delivered wood pellets would be a cost-effective and low-emissions heating fuel option for 12 remote communities along the Mackenzie River. The study found wood pellets to be a cost-effective alternative to heating oil in most communities and noted that private investments successfully created supply chains in the Sahtu and the Dehcho. The study also identified mounting challenges, including costs, climate change, lack of storage in some communities, and limited pellet supply options. One key finding was that additional storage in remote communities could help to mitigate some of these challenges, a lesson the GNWT is leveraging in conversation with the Government of Canada. The GNWT wishes to make the results of the study public by the end of the current fiscal year.

The GNWT is not currently considering expanding the activities of the Fuel Services Division to include biomass products, including wood pellets. The findings of the study suggest that private investments, often from Indigenous organizations, have been successful at bringing and selling wood pellets in the Dehcho and the Sahtu. In the Beaufort Delta, additional storage was identified as one main avenue to ensure continuous supply of biomass, and the Government of Canada is willing to support these types of efforts.

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The GNWT will keep monitoring the situation to maximize biomass availability across the NWT.

With respect to developing and assisting with the deployment of wood and pellet stoves in Norman Wells, the Department of Infrastructure has reached out to the Sahtu Secretariat Incorporated (SSI) to discuss their interest in a project that would support such an effort in Sahtu communities. Arctic Energy Alliance (AEA) programs are not designed to respond to situations such as the one in Norman Wells. AEA's rebates will continue to be available to help residents from Norman Wells convert to biomass heating options as well as assist in measures to increase energy conservation and efficiency in their homes.



Caroline Wawzonek  
Minister, Infrastructure

- c. Clerk of the Legislative Assembly  
Director, Legislative Affairs and House Planning  
Deputy Minister, Infrastructure