
LTEP Deck: Supporting Indigenous Capacity & Leadership

April 4, 2017 v3.1

CONFIDENTIAL DRAFT

Outline

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 - Evolve programming to better support First Nation and Métis involvement in the energy sector
 - Supporting Community Conservation
 - Supporting Energy Resiliency in Indigenous Communities
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Proposed LTEP Initiatives

Summary of Proposed LTEP Initiatives

Initiative

1. Evolve current programming to better support First Nation and Métis community involvement in the energy sector
2. Supporting community conservation
3. Supporting energy resiliency in Indigenous communities
 - a) Transmission
 - b) Remote Community Connection
4. Improving community access to financing

1. Evolve current programming to better support First Nation and Métis community involvement in the energy sector

Recommendation:

- **Direction:** Continue with and build on success of Indigenous support programs currently delivered by the IESO within the existing support funding envelope of \$10 million annually and with no new impacts to rate base. Focus support funding entirely on Indigenous communities.
- **Direction:** Continue support for and drive implementation of *Aboriginal Community Energy Plans (ACEPs)*.
 - Continue funding for new or updated ACEPs and evolve programming to provide funding for implementation of completed ACEPs to ensure existing investment in energy planning is realized.
- **Direction:** *Evolve existing Indigenous project participation support streams* to reflect current electricity and energy system context, to build in funding flexibility for unique and innovative community interests, and to assist with implementation of ACEPs.
 - Renewable energy integration into the local distribution system, and other innovative solutions to address particular community/local/regional energy needs and interests; net metering and micro-grid opportunities and pilots
 - Conservation and energy efficiency
- **Direction:** Continue providing support for *Indigenous Education and Capacity Building (ECB)* initiatives to meet community needs such as business and sector skills training, energy literacy, and youth engagement.
- **Direction:** Continue supporting *Indigenous leadership and partnerships in renewable energy and transmission* projects through funding streams that support partnership due diligence and project development costs, as appropriate (e.g. continued funding for LRP and FIT projects until appropriate phase out time; transmission project funding continues based on identified priorities and needs).

1. Evolve programming to better support First Nation and Métis community involvement in the energy sector (cont'd)

Considerations:

- Current IESO-delivered support programs have played an important role in encouraging Indigenous community participation in the energy sector.
- The programs are funded through the rate base via the IESO's \$10 million annual support program allocation.
- Program delivery for support programs could continue as-is through the IESO, could be shifted to the rate base, or transition to a new Ministry-administered program through the tax base.
- To date, 89 First Nations have been approved for Aboriginal Community Energy Plan (ACEP) program funding. ACEP does not currently include implementation funding. Providing support energy plan implementation will help to ensure that existing ACEP investments are maximized.
- Consider how flexibility may be added to programming, including ACEP, so that communities with different structures/land tenure can participate, including Métis and Algonquins of Ontario communities.
- Ensure ACEPs include climate change considerations (resiliency, adaptation and mitigation planning)
- Any potential revisions to programs should include engagement with Indigenous communities.
- The ministry should work with MOECC to identify opportunities for linkages with CCAP programming for climate change resiliency, adaptation and mitigation planning.
- Continue encouraging Indigenous participation in any future renewable energy procurement initiatives. As standard business practice, Ontario expects that developers will form partnerships with interested Indigenous communities where commercially feasible.

2. Supporting community conservation

Recommendation:

- **Direction:** Funding for implementation of Indigenous community energy plans could include funding for community-specific conservation, efficiency, or distributed energy measures (noted in initiative 2)
- **Direction:** Report on options to improve availability of conservation programs for Indigenous communities.
- **Direction:** Promote energy literacy on energy conservation and efficiency, including engaging youth. (links to Item 2)
- **Exploratory:** Explore potential to support demonstration project(s) to showcase benefits of energy-efficiency and conservation for Indigenous communities. Could also include distributed energy resource measures for energy intensive infrastructure, such as water treatment plants.

Considerations:

- Conservation funding needs to better align with local needs. For example, Hydro One's First Nations Conservation Program is not an open-intake program; non-grid connected and Independent Power Authority communities cannot access distributor conservation programs.
- Potential links to CCAP such as resiliency/adaptation planning for Indigenous communities.
- Opportunities to better promote existing conservation programming to increase uptake in Indigenous communities.

3.a) Supporting Energy Resiliency – transmission

Recommendation:

- **Decision:** Ontario to ensure that priority transmission lines identified in the 2013 LTEP remain listed as priority projects in the next LTEP.
- **Direction:** Ensure appropriate programs are in place to continue to support the participation of Indigenous communities in major, priority transmission lines and outline the process for the designation of priority transmission projects in Ontario in a clear, transparent way.
- **Decision:** Consistent with the Enhancing Reliability Proposal in the Maximizing Assets deck, Ontario to enhance customer reliability and quality of service standards, including in northern and remote areas of the province.

Considerations:

- Funding for transmission partnership work could continue through the IESO Energy Partnerships Program (funded through global adjustment) or through the development of new Ministry-led support programming (as noted in Item 2 and briefing deck– Renewables).
- The development of any new programming for Indigenous communities should include Indigenous community engagement as part of the development process.

**Further details in briefing deck – Maximizing the Use of Existing Energy Assets and Networks.*

3.b) Supporting Energy Resiliency – remote community connection

Recommendation:

- **Decision:** Work with the federal government to finalize a cost-sharing agreement in support of the grid connection of 21 remote First Nations.
- **Decision:** Continue to work towards the early connection of Pikangikum.
- **Decision:** Continue to engage with remote First Nation communities to undertake the planning and transition work required to make grid connection a reality, including:
 - Engaging with Matawa communities that are not currently a part of the Watay project
 - Engaging with IPA communities to facilitate the transition to a licenced distributor
- **Decision:** Continue to engage with the four communities that are not economic to connect to the grid to develop diesel-reduction options that meet community energy needs using renewable generation and microgrid technology, where appropriate, consistent with implementation of CCAP commitments.

Considerations:

- The Ministry continues to work with the federal government on a fair cost-sharing agreement.

4. Improving Community Access to Financing

Recommendation:

- **Decision:** Ministry to work with the Ontario Financing Authority and/or other partners to revise or replace the Aboriginal Loan Guarantee Program (ALGP), to better support Indigenous participation in energy projects. Potential changes include:
 - streamlining the application and due diligence processes and
 - reducing the threshold for project size in order to accommodate smaller-scale projects
- **Decision:** Ministry to organize meetings with Indigenous community leaders and members (as part of broader series of meetings with interested stakeholders) to better understand high-priority financing gaps and potential solutions to encourage Indigenous participation in energy projects.

Considerations:

- The ALGP began in 2009 to assist Indigenous communities with accessing capital for large-scale renewable energy and transmission projects. Communities acknowledge that the programs are important for accessing financing for capital but have indicated that ALGP is not meeting the needs of communities due to onerous due diligence and high transaction costs.
- With LRP suspended, there is a need to re-size the current threshold for eligible projects (currently \$5 million or greater), to reflect current energy needs and the interests of communities for smaller-scale projects.
- Other social financing alternatives that could be explored could include community bonds, grants, on-bill financing, crowdfunding, etc.

**Further details in briefing deck – Innovation: Smart Customer, Smarter Grid.*

Next Steps

Next Steps

1. Evolution of programming

- Ministry to internally discuss evolution of Indigenous support programs and potential community needs based on LTEP feedback; engage with IESO
- For ACEP and ACEP implementation: engage with IESO and First Nations for feedback on needs for energy plan implementation; consider holding a forum for communities to share their ACEP experience and implementation interests/needs. Engage with Algonquins of Ontario and Métis communities on model of ACEP that could work for their unique community structures and land tenure
- Consider options for the delivery and expansion of program offerings

2. Conservation

- Scope ideas for potential demonstration/pilot projects that showcase innovative approaches to conservation and energy efficiency for Indigenous communities (could include housing)

3. Energy resiliency

- Transmission: commit to exploring reliability and transmission interests collaboratively with Indigenous communities (e.g. Greenstone First Nation Transmission Working Group)
- Remote community connection: continue advancing federal-provincial cost sharing negotiations for the Wataynikaneyap project; continue post-LTEP engagement with the Matawa communities not currently part of the Watay connection plan

4. Improving community access to financing

- Energy staff to continue engaging with the Ontario Financing Authority for ~~an initial~~ discussions regarding Aboriginal Loan Guarantee Program; and continue internal discussions to explore different social financing options

Next Steps

Appendix

Background

LTEP 2013 Commitments

LTEP 2013 made a number of commitments to enhance Indigenous participation in the energy sector:

- ✓ Review programs to ensure they support continued opportunities for First Nation and Métis communities
 - The ministry worked with the IESO to ensure a broad program review took place
- ✓ Continue to encourage Aboriginal participation through FIT and LRP
 - IESO procurement incentives and ALGP support resulted in significant participation
- ✓ Enhance LDC role in Aboriginal Conservation Program delivery, especially on-reserve
 - ACP delivery has been devolved to LDCs
- ✓ Work with Aboriginal leadership to identify effective mechanisms to discuss energy issues
 - The First Nations – Ontario Energy Table has been established

LTEP 2013 Commitments cont.

- ✓ Explore opportunities to reduce diesel use and develop on-site options and power purchase arrangements for renewable energy projects in "uneconomic to connect" remote communities
 - Ontario is working with the federal government, partners and communities to explore innovative solutions and funding formulas
 - Direction to IESO for PPA negotiations with Whitesand First Nation biomass
- ✓ LTEP 2013 also committed the ministry to work with Hydro One to expand training and skills initiatives for Aboriginal peoples
 - Continued work is required to implement this commitment

Indigenous Energy Achievements To Date

- Over 60 First Nation and Métis communities and groups are participating in over 550 FIT projects
- 13 of 16 contracts offered under the Large Renewable Procurement have First Nation partners.
- Over \$8.5 million was provided under the Aboriginal Renewable Energy Fund to support First Nation and Métis communities develop renewable energy projects.
- Over \$200 million in loan guarantees provided through the Aboriginal Loan Guarantee Program.
- Over 60% of First Nations in Ontario are developing a community energy plan under the Aboriginal Community Energy Plan program.
- 45 communities participated in the Aboriginal Conservation Program, which provided conservation upgrades in about 1,500 homes.
- Wataynikaneyap Power, a partnership between Fortis and 22 First Nations, was selected as the transmitter for the new line to Pickle Lake and the connection of 16 remote First Nation communities.
- Ontario implemented a new set of tools which designates this project as a priority, and will streamline OEB approvals to facilitate timely construction of the project.
- The province is working with the four communities not economic to connect to the grid - Weenusk, Gull Bay, Fort Severn and Whitesand - to explore innovative solutions to reduce diesel dependency.
- The Energy Partnerships Program has a dedicated funding stream for these four communities that will provide up to \$500,000 each to develop projects that reduce diesel use.
- On July 12, 2016, Ontario reached an agreement-in-principle with First Nations regarding the sale of shares in Hydro One.

Current Context

- The Ministry of Energy is committed to encouraging opportunities for First Nation and Métis communities to play an active role in the energy sector including conservation, generation and major transmission line projects.
- *The Green Energy and Green Economy Act*, 2009 enabled the creation of programs and incentives to facilitate the participation of Indigenous communities in the renewable energy sector.
- The 2010 and 2013 Long Term Energy Plans (LTEPs) reinforced Ontario's commitment to First Nation and Métis participation in both renewables and transmission.
- The IESO's current support programs, including the Energy Partnerships Program, Education and Capacity Building Program and Aboriginal Community Energy Plans, are funded by the ratebase/global adjustment through a \$10 million annual allocation.
- As the Ministry prepares the next LTEP, there is opportunity for continued support for involvement of Indigenous communities in Ontario's evolving energy sector and for addressing key energy issues facing First Nations and Métis, including energy affordability and building community capacity and resiliency.
- This deck presents an overview of these challenges, the related feedback received through the Indigenous LTEP engagement sessions, and options and recommendations for inclusion in the next LTEP.

Appendix

Indigenous LTEP Session Overviews

Summary of Indigenous Engagement Feedback

- **Delivery Charge:** Customers not aware what it covers. Unfair that it varies across province. Should not be required to pay delivery charges in recognition of First Nation communities' contribution to the energy sector (e.g. Tx/Dx/generation in traditional territories without benefits).
- **Electricity Costs:** Desire for lower bills for Indigenous customers (on and off reserve), simplified billing and eligibility screening. Indigenous representation on the OEB. Concern for elders/seniors, families with young children and service cut-offs. In some cases, individuals/families forced to move off-reserve because rural energy costs are too high. Métis Nation of Ontario feedback to establish a program for all Métis customers to reduce electricity bills.
- **LDC issues:** Customers identifying rising costs; challenges with customer service, disconnections, trespassing on reserve, lack of equality of LDC-delivered programming, application process, etc.
- **Energy literacy:** Efforts needed to explain different components of bill and why rates have gone up.
- **Local Control/ Autonomy:** interest in net metering, local generation, ownership of transmission and distribution infrastructure, storage, and micro-grids as a means of economic development, enhancing self sufficiency and resilience, and lowering electricity bills for homes and community infrastructure.
- **Capacity support and tailored programs:** More programs for Indigenous customers and communities, support for capacity; program continuity is critical for awareness and availability of providers & skills.
- **Energy plan implementation:** Financial support to implement energy plans developed through the Aboriginal Community Energy Plan (ACEP) program; access to capital funds/financing for projects
- **Transmission Investments:** Need for continued grid investment due to impacts of climate change & electrification, projects that enable the connection of remote communities and that enable economic development opportunities for Indigenous communities. Remove the economic barriers to transmission development, particularly for projects that will unlock economic development opportunities for Indigenous communities.

Summary of Indigenous Engagement Feedback cont.

- **Net Metering / Self-Consumption:** interest in net metering (solar, hydro-electric, bioenergy) to reduce electricity costs and increase autonomy.
- **Innovation and Government Support:** Government support needed for communities to develop innovative energy technologies and home grown solutions and enhance capacity for energy innovation.
- **Local Benefits / Economic development:** Supply choices have an economic impact (consider costs, employment opportunities and economic development opportunities for Indigenous communities). Opportunities are part of reconciliation.
- **Renewables over nuclear:** lack of general support for nuclear, concerns about water impacts, waste disposal, safety, and lifecycle costs and interest in harnessing local resources (i.e., wind, water and sun). Province should consider renewable procurements and other programs that allow communities to sell to the grid.
- **Natural Gas Access:** natural gas access to Indigenous communities/customers to enable consumer choice and to help reduce home energy costs.
- **End of the Line / Reliability:** health, education and economic development in end of line communities being hampered by lack of line capacity. Single phase power reportedly causing damage to local infrastructure and expense of upgrading unreasonable for small communities.
- **Pipelines:** Province needs to continue to advocate for the six pipeline principles in federally regulated projects and ensure early consultations with potentially affected communities are undertaken for ancillary infrastructure under provincial jurisdiction.

Summary of Indigenous Engagement Feedback cont.

- **Conservation:** Customers need to see price benefits of conservation. Insufficient implementation and limited permeation of past programs; inappropriate tools, lack of trust with people implementing the program (e.g. to let them into their homes/ fear officials may condemn homes once permitted to evaluate). Programs should raise awareness of benefits of conservation to the grid and include youth-targeted education.
- **Housing Stock:** many homes in Indigenous communities are in poor condition / not built for northern climates; overcrowding. Homes often require significant retrofits/renovations to realize conservation benefits and/or readiness for distributed generation opportunities. Holistic solutions needed.
- **Northern Realities:** Need to better consider the realities of life in the North when developing programming; programs targeting EVs may not be appropriate for some time; consider instead the efficiency of trucks and snow machines. Interest in the use of more environmentally-focused solutions that align with CCAP and reduce diesel dependence in northern climates; but at the same time concern that climate change costs and initiatives (carbon tax on gas and diesel, increasing biofuels in the fuel mix) will affect way of life on the land (e.g. costs of operating ATV to access trap lines, need/timing of equipment upgrades if you increase biofuels in fuel supply).

Indigenous LTEP session overviews

1) Fort William First Nation

Key issues:

- Energy affordability
- Support for renewables over nuclear
- Prioritization of the Greenstone transmission line



Ministry of Energy staff with Edmond Collins of Fort William First Nation on Mt. McKay

2) Ochiichagwe'Babigo'Ining First Nation

Key Issues:

- Energy affordability
- Support for renewables over nuclear
- Greater involvement of First Nations in energy infrastructure (pipelines and transmission).



Ministry staff on route to Ochiichagwe'Babigo'Ining

Indigenous LTEP session overviews

3) Nigigoonsiminikaaning

Key Issues:

- Energy affordability
- Energy & economic development; Resource Benefit Sharing
- Grievances re: energy-related infrastructure
- Access to energy and impacts to community infrastructure
- Increased input into policy, programs and regional planning; insufficient consideration of unique Indigenous circumstances



A visit to Nigigoonsiminikaaning's Powwow grounds

4) Fort Severn First Nation

Key Issues:

- Energy affordability
- Renewable energy to reduce diesel (remote net metering)
- Housing on reserve, need for efficient, climate-designed homes, solar-ready homes.
- Training for local community members (installation and maintenance of renewable microgrid project in development)



Fort Severn School

Indigenous LTEP session overviews

5) Mattagami

Key Issues:

- Energy affordability; First Nations Rate should apply off-reserve
- Increased input into policy; insufficiently addresses northern realities
- Meaningful participation; economic development; community-owned energy; better guidance materials on energy development
- Climate change & environmental impacts of energy development; effects on seven future generations
- Grievances re: energy-related infrastructure



Mattagami First Nation community

6) Matawa First Nations

Key Issues:

- Energy affordability
- Renewables and micro-grids (interim solution before connection)
- Prioritization of Greenstone transmission line



Matawa First Nations participants with IESO and Ministry staff.

Indigenous LTEP session overviews

7) Mohawks of the Bay of Quinte

Key Issues:

- Energy affordability
- Renewables (self-generation, net metering), onerous ALGP process
- Conservation programs for large users (ie. water treatment plants)
- Interest in natural gas expansion
- ACEP implementation funding and opportunity for First Nations to come together to discuss ACEPs.



Mohawks of the Bay of Quinte Community Center

8) Atikameksheng Anishinawbek

Key Issues:

- Energy affordability
- Need for ACEP implementation funding
- Conservation programs in all First Nations
- Renewables and micro-grids
- First Nation ownership of transmission assets



Atikameksheng Anishnawbek Community Center

Indigenous LTEP session overviews

9) Manitoulin

Key Issues:

- Energy affordability
- Renewables and micro-grids, ACEP implementation funding
- Communities had success with conservation programs, need to address broader housing issues, funding for conservation education and energy staff, youth engagement.
- Removal of the delivery charge in recognition and of First Nation contributions to the energy sector



Manitoulin Hotel and Conference Center, owned by six area First Nations.

10) Algonquins of Ontario

Key Issues:

- Energy affordability; need to include off-reserve in a First Nation's rate (and in all programming)
- Energy as economic development and community independence; need to simplify the process
- Need for capacity support
- Better and early engagement on pipelines, including provincially-regulated aspects of federally regulated pipelines



AOO office

Indigenous LTEP session overviews

11) Aamjiwnaang First Nation

Key Issues:

- Energy affordability, removal of delivery charge for First Nations
- Supportive of renewables including wind, ALGP process onerous, interest in micro-grids
- Concerns with nuclear
- Revenue sharing for utilities on traditional territory



Aamjiwnaang Community Center

12) Sandy Lake

Key Issues:-

- Energy affordability
- Local load restrictions
- Interest in exploring alternative energy options
- Grievances re: a INAC/RemoteCo agreement and illegitimate connection charges



Ministry of Energy with Sandy Lake leadership

Indigenous LTEP session overviews

13) Sioux Lookout

Key Issues:

- Energy affordability
- Support for connection of remote communities
- Renewables, remote microFIT
- Transmission reliability concerns
- Conservation programs do not work well due to poor housing stock.
- Energy conservation education, youth involvement.



Sioux Lookout meeting location, Days Inn

14) Historic Saugeen Métis

Key Issues:

- Energy affordability
- Climate change concerns
- Support for nuclear and solar, not supportive of wind development



Ministry of Energy and IESO staff with members of the Historic Saugeen Métis at the HSM Interpretive Learning Center

Indigenous LTEP session overviews

15) Red Sky Métis Independent Nation

Key Issues:

- Energy affordability; examine pricing conventions; OESP is not enough.
- Energy as economic development; investment in Indigenous business development
- Re-examine program design re: Metis (e.g. “community”), lack of core funding, lack of capacity
- Look at “full cost” of projects e.g. trucking pellets for bio-mass; lots of trees on property should get a carbon credit.



Ministry of Energy and IESO staff with members of the Red Sky Métis Independent Nation

16) IESO Aboriginal Energy Working Group

- Energy affordability; businesses pushed out of province
- Energy as economic development; nuclear refurb excludes Indigenous communities, rather invest in green energy
- Overhaul Aboriginal Loan Guarantee Program needed, Programs should consider northern realities; concern re impacts of cap and trade
- Improve engagement with Indigenous communities re transmission projects/clarity re “priority” project process
- Lack of coordination between ministries on climate change

Indigenous LTEP session overviews

17) Métis Nation of Ontario

Key Issues:

- Energy affordability; examine pricing conventions; OESP is not enough
- Language: ensure “Métis” is included in ministry and agency communications: proponents only think of First Nations when they see the word “Indigenous,” and Métis are an afterthought
- Re-examine program design re: Métis context (e.g. nature of “community”)
- Timing of policy implementation and impacts to Métis way of life (e.g. impacts of increased ethanol content in gasoline on small engines - equipment used for harvesting)
- Duty to consult on major projects (e.g. Watay Line to Pickle Lake)
- Biomass conversion: deforestation, lack of economic opportunities for Metis, consultation
- Transmission: reliability, key to economic development in northern Ontario (e.g. mining)



Ministry of Energy and IESO staff with representatives of the Métis Nation of Ontario