
Grand Council Treaty #3

Ministry of Energy

Energy Table

April 12, 2017

Agenda

1. Opening Prayer
2. Introductions & Goals
3. Recent Successes
4. Northwest Transmission Update
5. Energy Opportunities
6. Next Steps

Grand Council Treaty #3-Ontario Energy Table

The GCT#3-Ontario Energy Table was **created in 2015 to:**

1. Review how the Hydro-electric Contract Initiative (HCI) has operated in Treaty 3 territory;
2. Discuss planned energy infrastructure in Treaty 3 territory including environmental impacts;
3. Discuss economic opportunities for GCT#3 First Nation communities in the electricity sector with a focus on transmission;
4. Discuss innovative approaches to other issues of mutual interest/concerns that the Ministry of Energy may be in a position to address.

The GCT#3-Ontario Energy Table **met in November 2015 and discussed:**

- The line to Pickle Lake and remote community connection
- Electricity reliability
- Community energy and regional planning
- Energy costs and conservation
- Energy retailers
- Linear energy infrastructure revenue opportunities
- Procurement and support programs.

Recent Successes

- First Nation On-Reserve Delivery Credit
- Long Term Energy Plan
- Participation in the Energy Sector
- First Nations – Ontario Energy Table
- Grievance Table Process

First Nations On-Reserve Delivery Credit: Ontario Energy Board Report

- GCT#3 encouraged the Province to consider measures to reduce the costs of electricity for First Nations.
- Ontario heard these concerns, and the concerns raised by First Nation Leadership, about high electricity costs and delivery charges impacting First Nation communities.
- The Minister of Energy committed to consider options for addressing the issue when he met with First Nation Leadership at the First Nations-Ontario Energy Table meeting on April 18, 2016.
- In June 2016, the Minister issued a letter directing the OEB to provide “*advice on options for an appropriate electricity rate (or rate assistance) for on-reserve First Nation electricity consumers.*”
- The OEB provided its report to the Minister on December 29, 2016 and recommended:
 - Eliminate the delivery charge for all on-reserve First Nations residential customers and eliminate the monthly service charge for customers of licensed distributors that charge a bundled rate;
 - Automatically qualify on-reserve First Nation residential customers (~21,500).
 - Greater information sharing between distributors and Band Councils to identify all on-reserve First Nations customers.
 - Continue to provide Ontario Electricity Support Program (OESP) and Low-Income Energy Assistance Program (LEAP) to eligible on-reserve First Nations customers.

First Nations On-Reserve Delivery Credit: Implementation

- On March 2, 2017, Ontario's Fair Hydro Plan was announced which includes the launch of a new Affordability Fund to enhance the existing OESP and Rural or Remote Rate Protection (RRRP) program and provide on-reserve First Nation households with a delivery credit.
- The First Nations On-Reserve Delivery Credit would apply to on-reserve First Nation households that are customers of regulated electricity utilities and would provide a 100% credit of the delivery or service charge, depending on the local distribution company.
- The Ontario government intends to move quickly to make any necessary legislative and regulatory changes that, if passed, would enable implementation of the First Nations On-Reserve Delivery Credit. It is targeted to be in place by January 2018.
- This initiative will help address some of the unique challenges that on-reserve First Nation customers face, and recognize First Nations' contribution to the provincial electricity system.
- The First Nation On-Reserve Delivery Credit reflects the advice and direction of First Nation leadership, and is an example of the Political Accord signed between First Nations and Ontario coming to life.

Long Term Energy Plan: GCT3 LTEP Coordinator

- The IESO provided capacity funding to GCT#3 for an LTEP Coordinator who attended meetings targeting Treaty 3 community attendance, including:
 - PTO meeting on October 11, 2016.
 - Community meeting in Ochiichagwe'Babigo'Ining First Nation on October 26, 2016.
 - Community meeting in Nigigoonsiminikaaning First Nation on November 2, 2016.
- GCT#3's LTEP coordinator provided helpful insight into the process, including suggestions for:
 - Improvements to the meeting presentation materials;
 - Earlier GCT#3 involvement to improve coordination and logistical process, including dates, agenda and invitations; and
 - Regional follow-up discussions in GCT#3 to show how GCT#3 feedback was taken into consideration.

Long Term Energy Plan: GCT#3 Environmental Registry Submission

- In addition to in-person engagement sessions, the LTEP process had an online “Environmental Registry”, where people and groups could provide written comments. GCT#3 provided a written submission, including the points summarized below.
- **Microgrids:** GCT#3 communities are interested in building microgrids. This would reduce delivery charges, use clean energy and provide economic opportunities through selling energy to the grid. Barriers include financial risk, need to invest in training for local expertise in project maintenance, and identifying appropriate local energy sources.
- **Renewable Energy:** should be prioritized as a climate change mitigation measure. First Nations should be more involved and benefit from related economic development opportunities.
- **Fuels:** Ontario should develop a strategic plan to minimize the use of fossil fuels, especially diesel fuel. This plan should emphasize conservation, renewable energy, and connection to the grid. Natural gas should be made available to more communities to address affordability.
- **Conservation:** priorities should include a First Nation energy conservation initiative that includes improved infrastructure, including housing, and moves beyond retrofits.
- **Costs:** the delivery charge for on-reserve customers is too high. Cost mitigation programs are not sufficient.

Long Term Energy Plan: GCT#3 Engagement Sessions

Key themes arising at LTEP sessions attended by GCT#3 communities included:

- Energy affordability;
- Increase support for renewable energy;
- Better involve First Nations in energy infrastructure such as pipelines & transmission;
- Economic development or Resource Benefit Sharing;
- Resolution of outstanding energy-related infrastructure grievances;
- Address energy constraints and reliability issues that have negative impacts on community infrastructure; and
- Increase First Nation input into policy, programs and regional planning.

There was interest from attendees in longer sessions, with more time to get into the details, and also for a discussion at the GCT#3 leadership level.

Participation in the Energy Sector

OVER 80% OF CONTRACTS

under the Large Renewable Procurement have First Nation partners



Indigenous communities are participating in over **1,800 MW** of contracted renewable energy



\$200 MILLION in loan guarantees through the Aboriginal Loan Guarantee Program



of First Nations in Ontario have received funding to develop a community energy plan through the Aboriginal Community Energy Plan program.

Participation in the Energy Sector (cont'd)

More than 570 Feed-in Tariff (FIT) and Large Renewable Procurement (LRP) projects have Indigenous community partners



12 WIND PROJECTS
(767 MW)



546 SOLAR PROJECTS
(331 MW)



14 HYDRO-ELECTRIC PROJECTS
(87 MW)

TOTALLING: 1185 MW



Political Accord signed between the Chiefs of Ontario and the Government of Ontario in 2015



45 First Nations participated in the Aboriginal Conservation Program

\$8.5M in Aboriginal Renewable Energy Fund support

The Aboriginal Renewable Energy Fund provided support to 45 different Indigenous communities and groups to explore and develop renewable energy projects.



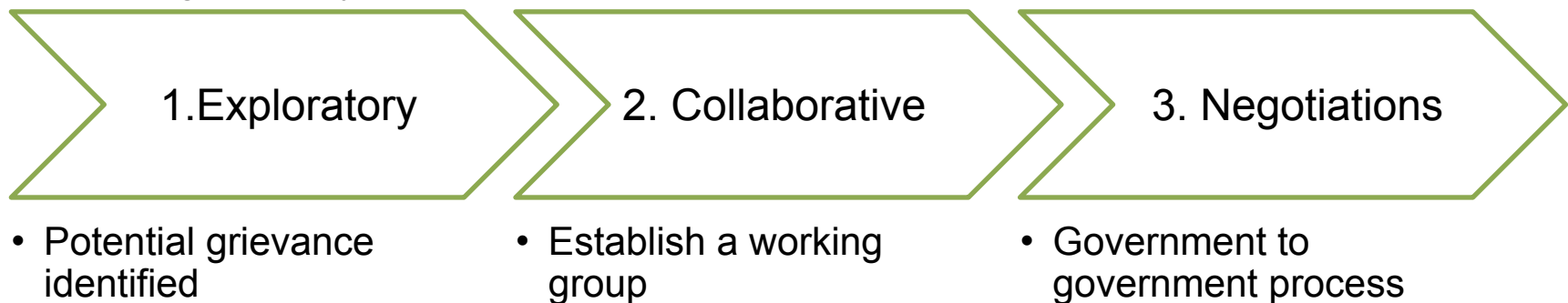
In July 2016, Ontario announced that a partnership led by 22 First Nations was selected as the transmitter for a project connecting remote First Nations in northern Ontario to the electricity grid.

First Nations – Ontario Energy Table

- The First Nations – Ontario Energy Table is a powerful vehicle for moving the energy agenda forward and provides an opportunity to discuss ways of increasing rate mitigation to reduce the cost of electricity.
- To date, the First Nations-Ontario Energy Table provided a forum to achieve the following accomplishments:
 - Increased Ontario Electricity Supports Program credits
 - The First Nation On-Reserve Delivery Credit
 - Initiated commercial discussions for First Nation participation in the broadening of ownership of Hydro One which has so far resulted in an Agreement-in-Principle
 - The creation of a Grievance Table process to address specific First Nation energy grievances.
- The Energy Table is an effective forum for Political-Territorial Organizations to come together, share issues, concerns, and engage with the Minister of Energy and energy agency leadership.

Grievance Table Process Update

- The Grievance Table process is a forum for First Nations and the Ministry to work towards resolving historic energy grievances, including ~~and~~ distribution and transmission infrastructure grievances.
- Once a grievance has been identified, the Ministry and First Nation enter into exploratory discussions to gather information and make a decision about whether the Grievance Table process is the appropriate mechanism for resolution.
- If it is the appropriate mechanism, the Ministry and First Nation establish a working group to identify a mutually agreeable process to address the grievance.
- The Ministry is currently working with a number of First Nations on a range of grievances including generation projects, transmission infrastructure and permitting and right-of-way issues.



Northwest Transmission Update

- Northwest Bulk
- New Line to Pickle Lake
- Remote Community Connections

Northwest Bulk Transmission Line

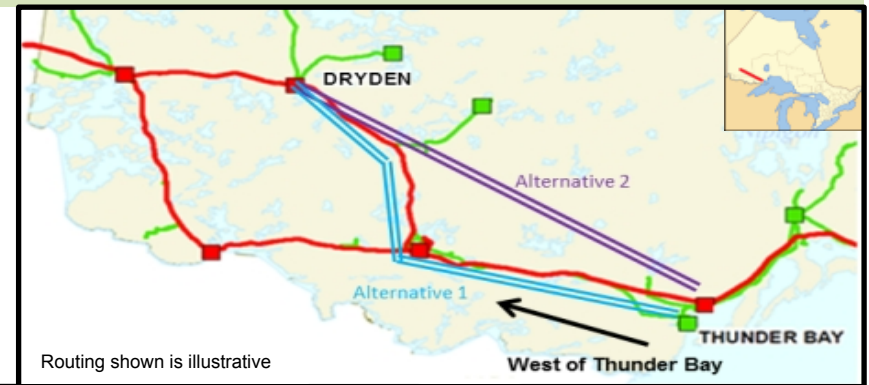
Area: Dryden area to Thunder Bay

Description: New 230kV transmission line

Est. Capital Cost: TBD

Exp. In-Service: 2022-2024 (TBD)

Proponent: Hydro One



Rationale and Scope:

- Demand west of Thunder Bay is projected to increase, but is uncertain.
- A new Northwest Bulk Transmission line would increase supply and reliability to the area.

Status:

- Development work assigned by to Hydro One through an OEB licence amendment.
- In late 2016 the IESO completed a study of the bulk system in the Northwest and indicated but that the timing of the need for the full project is uncertain. The IESO recommended that a scoped version of the line should be developed immediately, with additional reinforcement to occur later, as load growth occurs.
- The Ministry has developed an Indigenous Consultation Memorandum of Understanding (MOU) with Hydro One to ensure that the Duty to Consult is met for future Hydro One projects, including NW Bulk.

New Line to Pickle Lake (Phase 1)

Area: North of Dryden

Type: New 230kV transmission line

Proponent: Wataynikaneyap Power (Phase I)

Est. Capital Cost: approx. \$200M

Exp. In-Service: 2019

Rationale and Scope:

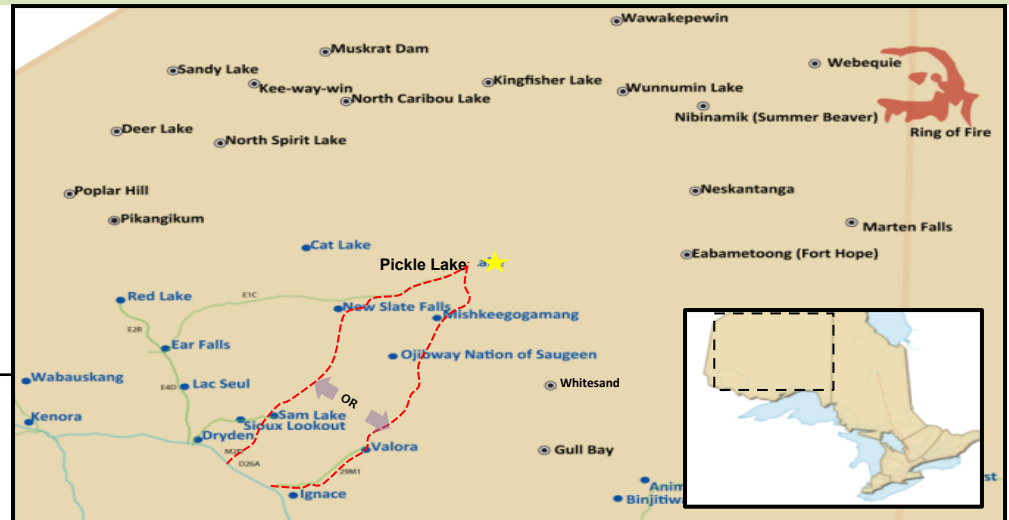
- The line is necessary to connect remote communities and enable local mining loads.
- A new transmission line to Pickle Lake was a priority of LTEP 2013 and 2010; building to 230kV was recommended in the final North of Dryden Plan.

Status:

- Watay was selected as the transmitter by the Ontario Energy Board in July 2016.
- The final Terms of Reference for the EA was approved by MOECC in February 2015.
- Watay is working towards having a finalized EA by August 2017, to seek a Ministerial decision by March 2018.

Next Steps:

- Watay expects to file for Leave to Construct in 2017, which will include a plan for remote connections.



Remote Community Connections (Phase 2)

Area: Far North

Type: 115 kV and 44 kV new lines

Est. Capital Cost: ~\$1.1B

Exp. In-Service: 2020 - 2024

Proponent: Wataynikaneyap Power (Phase 2)

Rationale and Scope:

- To connect 17 First Nation communities to the provincial grid.
- Reduce reliance on diesel fuel.

Status:

- ENERGY working with Indigenous and Northern Affairs Canada and Natural Resources Canada to discuss current costs to service remote communities and cost sharing for transmission connection.

Next Steps:

- Watay expects to file for Leave to Construct in Q4 2017.
- Watay expects to release a draft Environmental Study Report in Fall 2017
- ENERGY continues to engage with the federal government to negotiate a fair cost sharing agreement for the project.



Remotes: Early Connection of Pikangikum

Area: North of Red Lake

Type: New 100km, 44kV distribution line to Pikangikum

Proponent: Wataynikaneyap Power

Est. Capital Cost: approx. \$67M

Exp. In-Service: November 2018

Rationale and Scope:

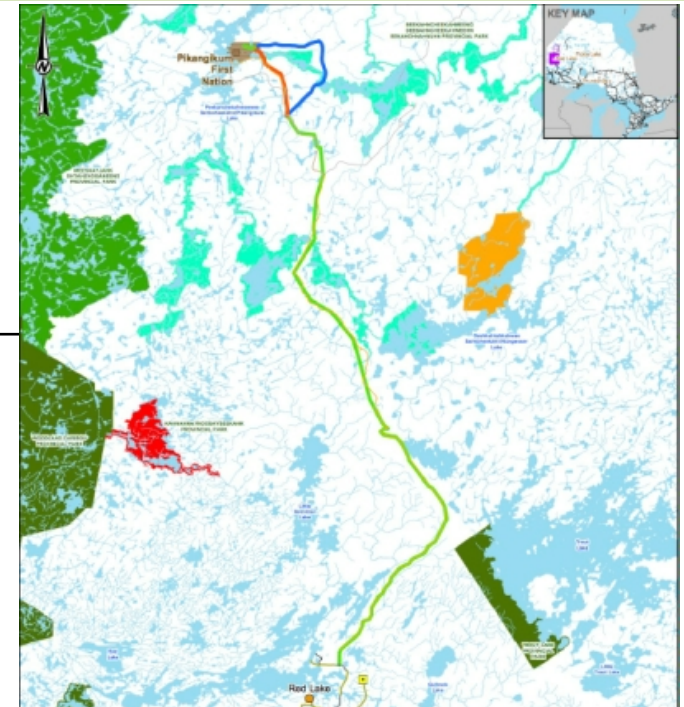
- Pikangikum is one of the larger remote First Nation communities and has requested expedited connection due to socio-economic conditions within the community.

Status:

- IESO has approved a System Impact Assessment and the connection can be accommodated.
- Watay is currently working on the Environmental Report.

Next Steps:

- Watay plans to conduct community engagement in June following the completion of the Environmental Report.
- Watay is applying for federal funding to support the capital for the project.
- Construction is targeted to start in August 2017 if funding is provided.



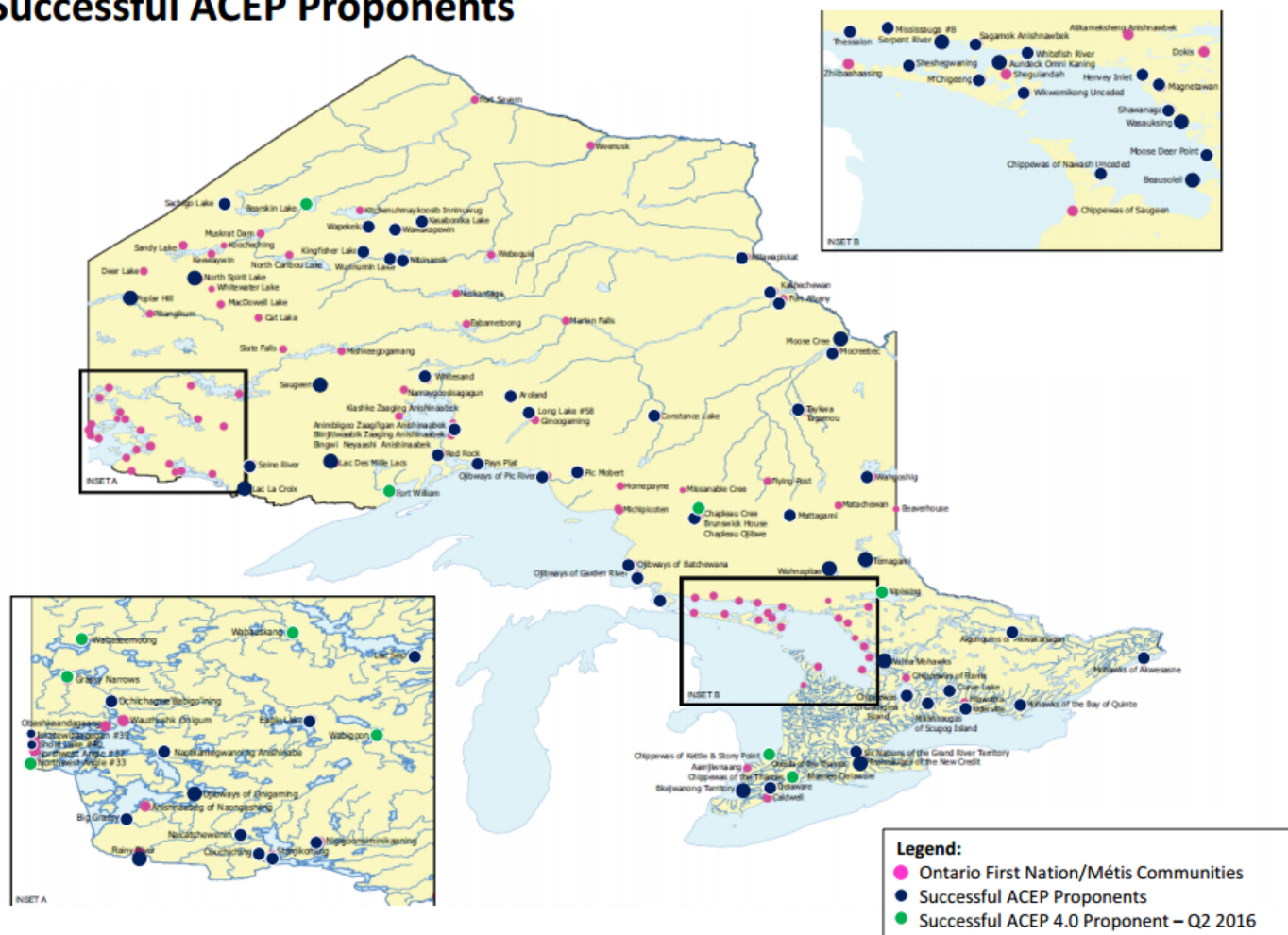
Energy Opportunities

Evolution of Participation

- The province is in a strong energy supply position and must balance the costs of building new energy supply in a fiscally responsible manner.
- Given the strong energy supply situation, the province is not currently procuring new large energy generation, such as the IESO's Large Renewable Procurement program which was suspended in Fall 2016.
- Ontario recognizes that the energy sector continues to present opportunities for economic development in First Nation communities and is committed to supporting these opportunities, where possible.
- As the Ministry develops the province's next Long-Term Energy Plan, it will consider the interests and feedback heard at the First Nation engagement sessions that were held in Fall 2016. This includes opportunities to enhance local benefits, control, autonomy and community energy resilience including:
 - Net metering and small-scale distributed generation;
 - Microgrids;
 - Local generation; and
 - Infrastructure ownership.

Community Energy Planning in GCT#3

Successful ACEP Proponents



Next Steps

Schedule for Discussion:

- What date should we set for our next meeting?
- Where would you like to meet?
- What agenda topics should we focus on?