Chapter 13: Northern Energy Transitions

Key Messages

Perspectives

- The Canadian North contributes the least to carbon emissions and yet it is the hardest hit by the impact of climate change.
- The North is also the most vulnerable to energy insecurity, in terms of affordable and reliable energy services.
- The global energy transition offers a once-in-a-generation opportunity to move toward reconciliation and, in particular, economic reconciliation, through both community renewable energy projects and utility scale projects.
- However, green energy is only good energy if done the right way.
- One approach to looking at the energy landscape in the North is through four types of projects: a) utility scale with high Northern participation, b) utility scale with low Northern participation, c) community energy projects with high Northern participation, d) community energy projects with low Northern participation.

Processes

- The energy landscape is highly variable across the territorial and provincial Norths with different policy processes and instruments in play, with leaders and followers in both utility and community level energy projects.
- While Ottawa and provincial/territorial capitals have a greater focus on Paris targets, Northern communities have much more urgent energy security needs; however, the policy instruments can be the same to achieve different policy objectives.
- The success highly depends on the ability of Northern communities to be able to participate in the energy transition processes and opportunities, community engagement can enhance local socio-economic benefits, such as job creation, income generation, energy access, and affordability. By involving community members in the development and operation of renewable energy projects, these initiatives can ensure that the benefits are shared equitably, and that local needs and preferences are taken into account.
- By involving local stakeholders in the decision-making process, renewable energy projects can promote a sense of ownership and pride among community members, leading to greater support and involvement in the project.

- Canada has a mix of high engagement in utility and community scale projects, as well as low engagement in utility scale projects. Conflict, not surprisingly, tends to occur where there is low engagement.

Policies

- The policy environment is highly variable across the provincial and territorial North, with some jurisdictions providing pathways to facilitate Northern participation more readily than others.
- Community involvement and rights recognition are critical for high levels of trust between the community and the company, which leads to long-term relationships.
- Compared to jurisdictions such as Alaska, Canada lags far behind in areas such as Indigenous utility ownership and capital grants at the community level.
- Mechanisms for early and meaningful Northern engagement in energy projects at the utility scale are underdeveloped in Canada.
- Subsidies for fossil fuel generation further inhibit community energy projects.

Recommendations

- Proactively expand Northern participation in both utility and community scale energy projects.
- Develop robust capacity building programs to facilitate the development of a network of community energy champions.
- Develop the business ecosystem in critical areas such as biomass to enable participation in energy sector, but also complementary industries such as forestry.
- Reduce fossil fuel subsidies to make renewable energy options cost competitive.
- Establish capital funds for Northern community equity ownership of utility scale projects.
- Establish robust carve outs for generation projects for utility and community scale projects.
- Proactively advance the creation of Indigenous-owned utilities in Canada.
- By involving local stakeholders in the decision-making process, renewable energy projects can promote a sense of ownership and pride among community members, leading to greater support and involvement in the project.
- The level and quality of community engagement can vary depending on the type of renewable energy project. Community-scale projects, which are typically smaller in size and scope and owned and operated by community members or organizations, tend to have higher levels of community engagement and support etc. Utility-scale projects, which are larger in size and scope and owned can face more challenges in involving local stakeholders, addressing their concerns and interests, and distributing the benefits equitably. However, utility-scale projects can also enhance community engagement by adopting participatory approaches, such as consultations, partnerships, co-ownership or co-benefits schemes.