



May 18, 2022

MS. LESA SEMMLER
MLA, INUVIK TWIN LAKES

Oral Question 1005-19(2) Fuel Costs

This letter is in follow-up to the Oral Question you raised on March 8, 2022 regarding increased fuel costs and potential Northwest Territories Power Corporation (NTPC) to increase power rates in the north being made to the Public Utilities Board. During our exchange, I committed to providing information on how the Government of the Northwest Territories (GNWT) will ensure that residents are not financially burdened by increased power rates.

Addressing energy costs is a major and complex issue that cannot be addressed solely by GNWT intervention. There is a shared responsibility between all levels of government, residents, and utilities. Inflation is increasing and the cost of fuel is rising due to factors outside of our control.

One of the mechanisms the GNWT has at its disposal to reduce the burden of increasing power rates is the Territorial Power Subsidy Program (TPSP). The TPSP helps reduce the cost of residential power in diesel-powered communities down to the residential rate in Yellowknife. From September to March each year, residential customers pay the Yellowknife rate for the first 1,000 kilowatt hours they use. For the remainder of the year – when there are more hours of daylight – the GNWT subsidy applies to the first 600 kilowatt hours. For the 80% of users that consume less than the maximum subsidized amount, rate increases will match the increases seen in Yellowknife.


Under the *2030 Energy Strategy*, the overarching goal is to guide the development of affordable, secure, and sustainable energy for transportation, heat, and electricity in the Northwest Territories (NWT). The GNWT has committed over \$400 million to help achieve this goal and from 2018-19 to 2021-22, the GNWT has already invested over \$115 million. Under the Strategy, the GNWT has committed \$120 million directly to NTPC to help cover the cost of replacing its ageing infrastructure and make it more efficient. This means \$120 million that users will not have to pay on their electricity bills. In addition, the GNWT has committed \$40 million to construct the Inuvik wind turbine project, which will save over \$3 million a year in fuel costs, as well as approximately \$93 million to construct the Fort Providence and Whatì transmission lines, which will connect those communities to hydropower, making them less impacted by fuel price fluctuations.

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One of the best ways to help shield NWT users from the cost of fossil fuels is to increase energy efficiency and use more alternative energy. To this end in 2022-23, the GNWT will provide the Arctic Energy Alliance with \$4.7 million to help residents and businesses increase their energy efficiency and reduce their energy costs. This was made possible by the GNWT's regular funding and increased funding from federal funding partners. The GNWT has also made available up to \$15 million until 2024 to provide grants to residents, businesses, communities, industry, and governments to reduce fossil fuel use.

The GNWT is in the process of developing its next three-year energy action plan. Through this plan, we will find more ways to help support residents, business, and communities reduce their cost of power and make energy more sustainable in the NWT.

Thank you.


Caroline Cochrane
Premier

- c. Honourable Diane Archie, Minister of Infrastructure
Clerk of the Legislative Assembly
Legislative Coordinator, Executive and Indigenous Affairs