



Genevieve M. Dawson
Lawyer
T 709.570.7225
E gdawson@bensonbuffett.com

Suite 900 Atlantic Place
Water Street, P.O. Box 1538
St. John's, NL
Canada A1C 5N8

September 4, 2015

**Newfoundland and Labrador Board
of Commissioners of Public Utilities**
120 Torbay Road
P.O. Box 21040
St. John's, NL A1A 5B2

Attention: Ms. G. Cheryl Blundon, Director of Corporate Services and Board Secretary

Dear Ms. Blundon:

**RE: Newfoundland and Labrador Hydro's - Amended General Rate Application
Pre-Filed Evidence of Darryl Shiwak, Minister of Lands and Resources**

Please find enclosed the original and twelve (12) copies of the Pre-Filed Evidence of Darryl Shiwak, Minister of Lands and Resources of the Nunatsiavut Government in respect of the above-noted Application.

We have provided a copy of this correspondence together with the enclosures to all the concerned parties.

Should you have any questions or concerns please contact the undersigned.

Yours truly,

Benson Buffett PLC Inc.

A handwritten signature in blue ink, appearing to read "Genevieve M. Dawson", written over a horizontal line.

GENEVIEVE M. DAWSON
GMD/sfp
Encl.

Geoffrey P. Young, Senior Legal Counsel, Newfoundland & Labrador Hydro
Gerard Hayes, Senior Counsel, Newfoundland Power
Thomas O'Reilly, Q.C., Cox & Palmer
Mr. Dennis Browne, Q.C., Browne Fitzgerald Morgan & Avis
Thomas Johnson, O'Dea Earle
Yvonne Jones, MP Labrador
Senwung Luk, Olthuis, Leer, Townshend LLP
Paul Coxworthy, Stewart McKelvey

IN THE MATTER OF the *Electrical Power Control Act, 1994*, S.N.L 1994, Chapter E-5.1 (the “EPCA”) and the *Public Utilities Act*, R.S.N.L. 1990, Chapter P-47 (the “Act”) and regulations thereunder; and

AND IN THE MATTER OF a general rate application filed by Newfoundland and Labrador Hydro on July 30, 2013; and

AND IN THE MATTER of an amended general rate application filed by Newfoundland and Labrador Hydro on November 10, 2014.

PRE-FILED EVIDENCE OF
DARRYL SHIWAK, MINISTER OF LANDS AND NATURAL RESOURCES
FOR THE NUNATSIAVUT GOVERNMENT
ISSUED: SEPTEMBER 4th, 2015

1 **1.0 MINISTER AND DEPARTMENT**

2 **Darryl Shiwak, Minister of Lands and Natural Resources**

3 Darryl Shiwak is admittedly proud to hail from the Nunatsiavut community of Rigolet, where he
4 and his family currently reside. He was raised in Rigolet to understand and be thankful for his
5 family history, as well as being taught to respect and take care of the land and wildlife.

6
7 Mr. Shiwak graduated from high school in Rigolet and then went on to get a degree in education
8 and physical education which led him to some of his most memorable experiences teaching in
9 the communities of Nain and Hopedale. He is very passionately interested and dedicated to
10 youth development and success in all aspects of life, as they will become the next generation of
11 leaders and caretakers for Nunatsiavut.

12
13 After leaving the teaching profession, Mr. Shiwak worked in the tourism industry at the
14 community level and then went on to work in recreation. He worked for the Voisey's Bay Nickel
15 Company as a Recreation Coordinator on site in northern Labrador for almost two years.

16 Mr. Shiwak has always been committed to the welfare of his hometown of Rigolet, and all the
17 communities in Nunatsiavut. In 2006, after serving on the local community council, he was
18 successful in getting elected as the Ordinary Member for Rigolet in the Nunatsiavut Assembly.
19 He was re-elected in 2010 and again in 2014. He has served as First Minister and Minister of
20 Education and Economic Development, Minister of Culture, Recreation and Tourism and is
21 currently the Minister of Lands and Natural Resources.

22 **Ministerial Portfolio**

23 The Department of Lands and Natural Resources is responsible for all matters related to the
24 protection, use, and development of renewable and non-renewable resources in Nunatsiavut.
25 The department is organized into four divisions: Lands, Non-Renewable Resources; Renewable
26 Resources; and Environment. The department's mandate is to ensure the sustainable
27 management of Nunatsiavut land and natural resources while maximizing benefits from the
28 development of these resources for Inuit.

29 The department's responsibilities include:

- 30
- 31 • Supporting the Nunatsiavut Government's obligations in terms of co-management of
resources;
 - 32 • Applying provisions of the Labrador Inuit Land Claims Agreement concerning resource
33 development; specifically chapters:

34 *4: Land and Non-Renewable Resources;*

35 *5: Water Management and Inuit Water Rights;*

36 6: *Ocean Management*;
37 8: *Voisey's Bay Area*;
38 9: *National Parks and Protected Areas*;
39 10: *Land Use Planning*;
40 11: *Environmental Assessment*;
41 12: *Wildlife and Plants*;
42 13: *Fisheries*;
43 14: *Harvesting Compensation*;
44 15: *Place Names*.

- 45 • Management of Labrador Inuit Lands, including Specified Materials Lands and Water Lots;
- 46 • Implementation of the Voisey's Bay Impacts and Benefits Agreement; and
- 47 • Implementation of the Torngat Mountains National Park Impacts and Benefits Agreement.

48 Source: <http://www.nunatsiavut.com/department/lands-natural-resources/>, accessed August 20, 2015

49 **2.0 HISTORY OF THE INUIT IN LABRADOR**

50 **Labrador Inuit: The Pride of Nunatsiavut**

51 The history of our people goes back further than most in Canada, and our achievement of self-
52 governance is another historical moment that has ensured the future of our people.

53 The people of Nunatsiavut are Inuit. We have occupied the circumpolar regions of the world for
54 longer than 5,000 years. We are descendants of the prehistoric Thule, who were hunters that
55 were drawn to Labrador due to its large amounts of whales and wildlife. We are considered a
56 maritime people, as we are very connected to our environment. We are also one of the
57 founding peoples of Canada.

58 Our earliest ancestors lived mainly on the north coast of Labrador where they travelled all over
59 to harvest the resources of the land and sea. For thousands of years, we had little or no contact
60 with any European cultures.

61 In the 1760s, Moravian missionaries became the first Europeans to make a presence north of
62 Hamilton Inlet. With the Missionaries present, the Inuit began to change their way of life. Our
63 nomadic and communal lifestyle was not encouraged, and the missionaries unfortunately
64 brought disease that slowly began to wipe out our population. Over time, the Inuit life became
65 more connected to the emerging trade economy of Newfoundland and Labrador.

66 However, the demise of trade in the 1920s brought further social and economic upheaval. The
67 Hudson's Bay Company and the Commission of Government took control of the Moravian stores
68 with little success. After Confederation, the Moravian Church, the Grenfell Mission, and the
69 provincial government of Newfoundland suspended services to the northern communities of
70 Hebron, Okak, and Nutak. Residents were abruptly resettled throughout the region that is now
71 known as Nunatsiavut, and the trauma of that move continues to resonate in the present day.

72 **A New Beginning for Labrador Inuit**

73 In the 1970s, the Labrador Inuit Association (LIA) was formed, and we filed a claim with the
74 Government of Canada. For the next 30 years, we worked hard to promote our culture, our
75 health and well-being, and our Constitutional, democratic, and human rights. Eventually, we
76 finally began our long road to establishing self-government.

77 On December 6, 2004, members of the Newfoundland and Labrador House of Assembly passed
78 provincial legislation to give effect to the Labrador Inuit Land Claims Agreement Act. It received
79 Royal Assent the same day.

80 The Agreement was ratified in when it received Senate approval and received Royal Assent on
81 June 23, 2005 from Canada's Governor General. The Nunatsiavut Government came into effect
82 on December 5, 2005, and we began preparations for the first ever Nunatsiavut elections. The
83 first elected Nunatsiavut Assembly was sworn in on October 17, 2006.

84 From prehistory to modern government, the epic story of Labrador Inuit is one of resilience in
85 the face of great change. We are proud of our past. And now, more than ever, we are focused
86 on our future.

87 *Source: <http://www.nunatsiavut.com/visitors/labrador-inuit/>, accessed August 20, 2015*

88 **3.0 HISTORY OF THE NUNATSIAVUT GOVERNMENT**

89 The formation of the Labrador Inuit Association in 1973 and its incorporation two years later,
90 laid much of the groundwork for us today. From filing our first land claim in 1977 to the start of
91 negotiations just over a decade later, through the ratification process and the signing of the
92 Labrador Inuit Land Claims Agreement a decade ago, we now have a strong government
93 structure that has earned the respect of other governments, groups and organizations right
94 across this country.

95 **Land Claims Agreement**

96 We can attribute much of our success to our Land Claims Agreement, which sets out details of
97 land ownership, resource sharing, and self-government. It provided for the establishment of the
98 Labrador Inuit Settlement Area (or LISA), totaling about 72,500 square kilometers (or 28,000
99 square miles) of land and 48,690 square kilometers (or 18,800 square miles) of sea. The
100 Agreement provides Labrador Inuit special rights related to traditional land use in this area.
101 Within the Settlement Area, 15,800 square kilometers (or 6,100 square miles) is designated as
102 Labrador Inuit Lands, which is owned by Labrador Inuit. The Agreement also provided for the

103 establishment of the Torngat Mountains National Park, consisting of about 9,600 square
104 kilometers (3,700 square miles) of land within LISA.

105 The signing of the Labrador Inuit Land Claims provided us the opportunity to take control of our
106 own affairs and to determine our destiny.

107 The Nunatsiavut Government has responsibilities and rights similar to other governments, such
108 as planning for sustainable economic development, protecting and preserving Labrador Inuit
109 culture and traditions, and implementing social programs on behalf of Beneficiaries of our Land
110 Claims Agreement.

111 Unlike other governments, the Nunatsiavut Government is a consensus government – a non-
112 partisan system of governing that is more in keeping with the way that we, as Inuit, have always
113 made decisions. Unanimous agreement is not necessary for decisions to be made, but rather a
114 majority vote of acceptance – after much discussion and consideration of various viewpoints.

115 *See Appendix A for further information on the Land Claims Agreement.*

116 **Government Structure**

117 The Nunatsiavut Government is comprised of 18 Assembly members, and operates at two
118 distinct but connected levels: regional and community. The regional government’s legislative
119 centre is in Hopedale and the administrative centre is here in Nain.

120 We have seven departments, each reflecting the unique principles of the Labrador Inuit
121 Constitution. The seven departments are Nunatsiavut Secretariat; Nunatsiavut Affairs; Finance,
122 Human Resources and Information Technology; Health and Social Development; Education and
123 Economic Development; Lands and Natural Resources; and Culture, Recreation and Tourism.

124 Inuit Community Governments are based in Nain, Hopedale, Makkovik, Postville and Rigolet.
125 The AngajukKâk, or mayor, of each Inuit Community Government represents his or her
126 constituency in the Nunatsiavut Assembly.

127 **4.0 ECONOMIC FACTS**

128 **a) Communities**

129 There are 5 communities in Nunatsiavut: Nain, Hopedale, Makkovik, Postville and
130 Rigolet.

131 **b) Population**

132 *Total Census Population, 2011*

Community	Population
Nain	1190
Hopedale	555

Makkovik	360
Postville	205
Rigolet	305
Nunatsiavut	2615

133 Data retrieved from: www.communityaccounts.ca

134 *Beneficiaries of the Labrador Inuit Land Claims Agreement, 2015*

Community	Count	% of Total
Nain	1125	16
Hopedale	581	8
Makkovik	342	5
Postville	180	3
Rigolet	306	4
Happy Valley-Goose Bay	2012	28
North West River	276	4
Canada	2380	33
TOTAL	7202	100
Region		
Nunatsiavut	2534	36
Upper Lake Melville	2288	32
Canada	2380	33
TOTAL	7202	100

135 Data retrieved from: Nunatsiavut Government, Membership Office, September 1, 2015

136 c) **Average Income**

137 *Personal Income Per Capita, 2011 (\$)*

	Gross	After tax
Nain	20,400	15,400
Hopedale	18,100	13,700
Makkovik	27,900	21,000
Nunatsiavut	22,133	16,700
Newfoundland and Labrador	31,000	21,400
Canada	40,650	33,998

138 Data retrieved from www.communityaccounts.ca

139 **Data was unavailable for Rigolet and Postville in 2011. The 'Nunatsiavut' average is based on
140 data presented from Nain, Hopedale and Makkovik.

141

Employment figures for the total community population

	Total population age 15 yrs. and over	In the labour force	Employed	Unemployed	Unemployment rate
Nain	890	510	375	135	26.5
Hopedale	435	265	180	85	32.1
Makkovik	285	195	125	70	35.9
Postville	160	95	75	25	26.3
Rigolet	240	170	90	75	44.1
Nunatsiavut	-	-	-	-	33
Newfoundland and Labrador	-	-	-	-	14.6
Canada	-	-	-	-	7.8

142

Data retrieved from: Statistics Canada; 2011 National Household Survey

143

d) Average Cost of Energy from NL Hydro

144

For a small 3 bedroom duplex bungalow with electric heat, average energy consumption was 2089 kWh per month in 2014-2015, (ranging from 444 kWh in May to 3916 kWh in February).

145

146

Average cost was \$275.49 per month (ranging from \$29.75 in May to \$555.50 in February, after the Northern Strategic Plan subsidy was applied).

147

148

**Please note: unlike 67% of the homes in Nain, this home is *not* in need of major repair.

149

Source: NL Hydro online billing account information.

150

e) Average Cost of Heat

151

Heating

152

- The most common heating source (used by 55% of homes) is a wood burning stove or fireplace.

153

154

- More than half of the households in Nain and Hopedale have difficulty keeping their dwelling warm (including 57% in Nain and 64% in Hopedale). 44% on average for residents of all communities.

155

156

157

- The average heating cost during a typical winter month (December, January, February) is \$619.

158

159

- The average heating cost during a typical summer month (June, July, August) is \$155.

- 160 • Please note: This question was asked of all participants in the Nunatsiavut Housing Needs
 161 Assessment, though 44% of homes are not sufficiently heated, as noted above. The average
 162 cost of heat would likely rise significantly if 100% of homes were adequately heated, and
 163 residents were not experiencing barriers (cost barriers, among others) preventing them
 164 from attaining sufficient amounts of fuel to provide home heating.

165 **f) Average Cost of Other Fuel for Heating**

- 166 • In 2014-2015 a drum of oil cost about \$335 in Nain. The average house burns 2-3
 167 drums/month between October and April. Average cost per month is \$837.50.

168 **g) Average Cost of Food**

Weekly Cost of the Revised Northern Food Basket for a Family of Four

	2007	2008	2009	2013
Nain	\$283	-	\$337	\$366
Hopedale	\$281	-	\$318	\$341
Rigolet		\$297	\$310	-
Makkovik	\$269		\$304	\$288
Postville	\$281	\$294	\$310	-
Nunatsiavut	-	-	\$316	\$331
Happy Valley- Goose Bay	\$224	\$232	\$253	-
Montreal	\$209	\$219	\$229	-

169 **Note:** Data is unavailable from 2010-2012 and for some communities for 2013. The above
 170 totals include both perishable and non-perishable foods. For isolated communities in
 171 Labrador and for Happy Valley-Goose Bay, the cost of the basket is based on the
 172 average price available for each item in the basket, using a specific purchase size and,
 173 for most products, all national and store brands. For certain products, the average price
 174 of a specific dominant national brand is used.

175 Source: <http://www.aadnc-aandc.gc.ca/eng/1100100035986/1100100035987> accessed Aug 24, 2015
 176 <http://www.nutritionnorthcanada.gc.ca/eng/1429275989528/1429276029787> accessed Sept
 177 1, 2015

178 **h) Food Security**

- 179 • The 2007-08 Inuit Health Survey established household food security rates for Nunatsiavut
 180 (including all 5 communities).

181 • Across Nunatsiavut:

182 - 55.8% of households were food secure

183 - 28.6% of households were moderately food insecure and

184 - 15.6% of households were severely food insecure.

185 An average of 44% of households in Nunatsiavut are food insecure relative to 10.6% in the

186 province and 8.3% in Canada.

187 **Note:** The study defined ‘moderate food insecurity’ as - a compromise in quality and/or

188 quantity of food consumed by adults and/or children due to a lack of money for food;

189 and, ‘severe food insecurity’ as- disrupted eating patterns and reduced food intake

190 among adults and/or children (ex. skipping meals or entire days of meals).

191 *Source: Egeland 2010*

192 Levels of food insecurity in Nunatsiavut are likely even more severe today than they were in

193 2008. This study was completed while Inuit were still harvesting caribou – an important food

194 source that is no longer available.

195 **i) Home Ownership, Government Subsidized Homes, Rental Homes**

196 There are 314 (47%) private homes in Nunatsiavut, 297 (41%) homes owned by the Torngat

197 Regional Housing Association (TRHA), 51 (7%) owned by the Newfoundland and Labrador

198 Housing Corporation (NLHC), and 36 (5%) identified as ‘other’ (including rental units, among

199 other possibilities).

200 The 47% identified as ‘owned by residents’ is a little misleading as we suspect it likely includes

201 TRHA homes and homes built through other social housing programs during Labrador Inuit

202 Association days that residents have paid for under highly subsidized rates. While residents may

203 no longer pay rent, THRA retains ‘ownership’ of these dwellings.

204 **j) Average Cost of Transportation**

205 The Nunatsiavut communities are accessible by air only from the beginning of November until

206 the end of July. These dates vary each year depending on sea ice conditions. During summer

207 months, the communities are accessible by ferry and air, though ferry service has been

208 unreliable in recent years.

209 The cost of a flight from Nain to Goose Bay, return is almost \$1,000 (\$971.80 through Air

210 Labrador). A return flight to St. John’s is about \$1,700 (\$1697.54 through Provincial Airlines).

211 The cost of a return ferry trip on the Northern Ranger (Nunatsiavut Marine) from Nain to Goose

212 Bay is over \$300 (\$312.52).

213 The high cost of transportation also increases the cost of all goods sold in the remote, isolated

214 communities of Nunatsiavut. Despite subsidies offered through the Food Mail Program in 2009,

215 the average weekly cost of food was 63\$ higher in Nunatsiavut than in Happy Valley-Goose Bay,
216 while Happy Valley-Goose Bay was a further 24\$ higher than the population center of Montreal
217 (see response to item 'g' above). While data is unavailable for 2013 for Montreal and Happy
218 Valley-Goose Bay, the cost of food in Nain, Makkovik and Hopedale under the Nutrition North
219 Program clearly indicate a continuous rise since 2009. The cost of all other goods (including
220 lumber and other building supplies, school supplies, clothing, etc.) are similarly high relative
221 other regions.

222 **k) Number of Commercial Enterprises, Along with Same Average Cost for Electricity**

223 There are 104 Inuit Businesses operating in the region and registered in the Inuit Business
224 Directory.

225 **5.0 IMPACT ON COMMUNITIES IF PRICE OF ELECTRICITY INCREASES AT ALL**

226 The current price of electricity is far too high for the majority of households in Nunatsiavut to
227 afford, placing undue strain on already tight budgets and fixed incomes. Any increase in the cost
228 of electricity would exacerbate an already difficult situation.

229 Money going towards the cost of energy leaves less money available to meet other basic needs,
230 such as the purchase of food (particularly for the 44% of residents of Nunatsiavut who are food
231 insecure) or to complete home repairs (as discussed below, 54% of homes in Nunatsiavut are in
232 need of major home repair).

233 Socio-economic inequalities experienced by residents of Nunatsiavut relative to residents living
234 elsewhere in the province and in the country further demonstrate the need for price stability
235 and increased energy cost subsidies.

236 For example, the unemployment rate in Nunatsiavut is more than double the provincial average,
237 while the unemployment rate for Newfoundland and Labrador is almost double the national
238 rate. The after-tax average personal income in Nunatsiavut is 22% less than the province and
239 51% less than Canada. The food insecurity rate in Nunatsiavut (44%) is over 4 times the
240 provincial average of 10.6% and 5 times the national average of 8.3%.

241 Residents of Nunatsiavut simply cannot afford price increases in the cost of electricity. As the
242 majority of residents are currently struggling to meet their basic needs, any price increase will
243 directly threaten the ability of residents to access sufficient quantities of energy to complete
244 daily living tasks and to provide basic goods and services for their families

245 **6.0 IMPACT ON COMMERCIAL OPERATIONS IF PRICE OF ELECTRICITY INCREASES AT ALL**

246 Due to the remote location of Nunatsiavut communities, the cost of commercial operations is
247 disproportionally high in the region. These costs stem from the added cost of transportation of
248 goods, a shortage of local, skilled labor in some instances, high costs of food and
249 accommodation, among other variables.

250 As evidenced by the high unemployment rate in Nunatsiavut (33%, referenced above), economic
251 growth and development is highly needed. The provision of meaningful employment for
252 Nunatsiavut’s workforce would help alleviate some of the other socio-economic challenges
253 experienced in the region, and in time, increase the self-sufficiency of residents.

254 Increases in the already high cost of electricity for commercial operations would negatively
255 affect the growth potential of existing businesses and provide a deterrent to new business
256 development and job growth in the region.

257 **7.0 NUNATSIAVUT ENERGY SECURITY PLAN**

258 Attached is the Nunatsiavut Energy Security Plan (“ Plan”). *Please refer to Appendix B.*

259 The Plan adopts a sustainable development approach in addressing energy security in the
260 region, responding to social, economic and environmental conditions, and also touching on
261 community infrastructure needs, such as housing and community facilities.

262 The Plan is a first step towards forging a more sustainable energy future in Nunatsiavut. The
263 Plan emphasizes energy efficiency and prioritizes sustainable energy projects.

264 The Plan clearly demonstrates the commitment the Nunatsiavut Government has to: (i) reducing
265 energy consumption; and (ii) sustainable energy projects. The Nunatsiavut Government would
266 like to work with NL Hydro on implementing the Plan and suggests NL Hydro put resources into
267 investigating and assisting the Nunatsiavut Government with their ongoing initiatives within this
268 Plan.

269 **8.0 NORTHERN STRATEGIC ENERGY PLAN**

270 Even after the net impact of the Northern Strategic Plan subsidy is factored into residential and
271 business electricity costs; the impact of: a) northern climate conditions, b) heating costs, and, c)
272 higher energy costs raising the cost of essentials (such as food) in Nunatsiavut is onerous.

273 As stated in Christopher Henderson’s Expert Report, filed with the PUB on June 4th, 2015, total
274 energy costs (including electricity, heat, and the elevated cost of basic goods due to high energy
275 costs) paid in Nunatsiavut are much higher than for residents elsewhere in the province.

276 While the Northern Strategic Plan subsidy helps reduce some of the cost of energy for residents
277 of Nunatsiavut, after the subsidy is applied, the cost of energy remains prohibitively high.

278 The current cost of energy in Nunatsiavut needs to remain constant and the current subsidy
279 needs to increase for residents to afford a sufficient supply of energy to meet their daily needs.

280

281

282 **9.0 NL HYDRO ENERGY EFFICIENCY INITIATIVES**

283 While investment in energy efficiency initiatives are desirable and highly needed in Nunatsiavut,
284 the current approaches introduced by NL Hydro (such as NL Hydro’s takeCHARGE energy
285 efficiency program) are inaccessible to the majority of residents and have failed to effectively
286 address the root causes of energy efficiency needs in the region.

287

288 **Inaccessible to the Majority of Residents:**

289 Many facets of the takeCHARGE program are only available to private homeowners. This
290 includes a maximum of 47% of all homes in Nunatsiavut (according to the Nunatsiavut Housing
291 Needs Assessment 2012; please see the note offered under item ‘h’ above). 48% of homes are
292 rented through a lease-to-own model owned by a social housing provider (including 41%
293 Torngat Regional Housing Association and 7% Newfoundland and Labrador Housing
294 Corporation). The remaining 5% are private rentals.

295 **Fails to Effectively Address the Root Causes of Energy Efficiency Needs in the Region:**

296 The root cause of energy efficiency needs in Nunatsiavut is the poor state of housing stock.
297 According to findings from the Nunatsiavut Housing Needs Assessment, 2012, 54% of homes in
298 Nunatsiavut are in need of major repairs (including 67% in Nain and 70% in Hopedale). Findings
299 from the same survey revealed that an average of 44% of homes are inadequately heated
300 (including 57% in Nain and 64% in Hopedale). When residents were asked what the main factor
301 was contributing to their inability to keep their home warm, 79% said this was due to the
302 condition of their dwelling. Consequently, an average of 44% of homes have mold (including
303 49% in Nain and 55% in Hopedale).

304 A cold home in need of major repair will benefit only very marginally from energy efficient
305 products such as power bars and lightbulbs offered through the takeCHARGE program. The need
306 for major home repair must be addressed first (through home repair programs providing attic
307 retrofits, insulation improvements, sealing cracks, and replacing windows and doors) to prevent
308 energy and heat from escaping outdoors. Redirecting the \$508,000 spent in Nunatsiavut by NL
309 Hydro since 2012 through the takeCHARGE program to future home repairs would be a far more
310 effective means of increasing energy efficiency in Nunatsiavut than continuing current
311 approaches.

312 **10.0 IMPACT OF MUSKRAT FALLS DEVELOPMENT ON NUNATSIAVUT**

313 The Nunatsiavut Government finds it interesting that Nalcor and/or NL Hydro is developing a
314 large hydro electrical development in close proximity to Inuit land. Notwithstanding this massive
315 development the people of Nunatsiavut will still not reap the benefits of lower electricity rates.
316 Further, the people of Nunatsiavut will not have access to direct electricity lines.

317 **Key points:**

318 **A.** The project is producing major negative effects of mercury release in the region which will
319 filter up the food chain contaminating foods harvested in Lake Melville and consumed by Inuit;
320 and,

321 **B.** The residents of NG have very limited or no benefits from the project (limited to a small
322 handful of possible short-term jobs) and no electricity rate or supply advantages (unlike
323 southern Labrador, and the mainland).

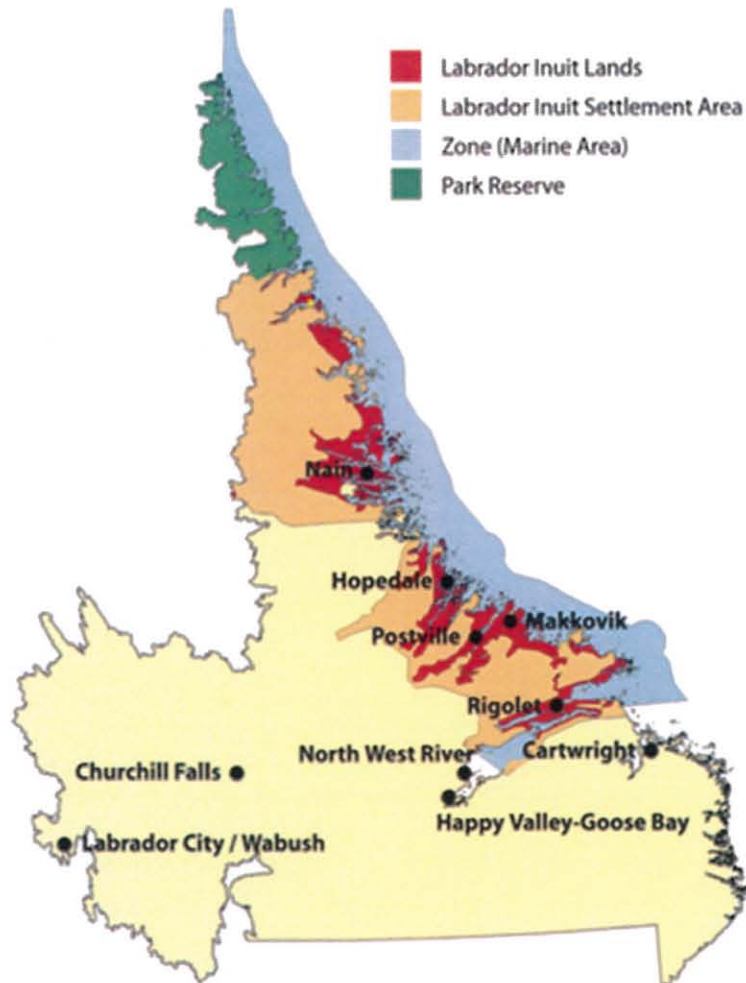
324 *See attached Appendix C for more information concerning the same.*

325 **SUMMARY OF KEY MESSAGES**

- 326
- 327 1. Energy costs as a whole must be considered by the PUB when making rate decisions.
 - 328
 - 329 2. The region is vulnerable (economically and socially) to electricity rate increase, and major
330 increases as requested by NLH would be devastating.
 - 331
 - 332 3. The NG is trying to be proactive with the Energy Security Plan, but needs more substantive
333 and sustained provincial and NLH support for energy efficiency initiatives and renewable energy
334 development.

APPENDIX A

Introduction



- **1973** LIA formed
- **1977** Land claim filed
- **1988** Negotiations
- **2003** Ratification process
- **2004** Majority vote
- **2005** Agreement signed
- **2005** December 1 (Effective Date)
- **2008** First Presidential election held

Land Claims Agreement

- Land ownership
- Resource sharing
- Self-government
- Labrador Inuit Settlement Area
(72,500 km² of land and 48,690 km² of sea)
- Labrador Inuit Lands (15,800 km²)
- Torngat Mountains National Park (9,600 km²)

Government Structure

President	1
First Minister (Makkovik)	1
Nain	2
Hopedale	1
Postville	1
Rigolet	1
Upper Lake Melville	2
Canada	2
AngajukKât	5
Community Corporations	2
TOTAL	18

- 18 elected members
- Distinct, but connected levels: regional and community
- Assembly in Hopedale
- Admin. Centre in Nain
- Rights and responsibilities similar to other governments
- Consensus form of government

Government Structure

- Comprised of seven(7) departments reflecting principles of Labrador Inuit Constitution:
 - Nunatsiavut Secretariat (President)
 - Nunatsiavut Affairs (First Minister)
 - Finance, Human Resources and IT
 - Health and Social Development
 - Education and Economic Development
 - Lands and Natural Resources
 - Culture, Recreation and Tourism

Government Structure

- Inuit Community Governments located in Nain, Hopedale, Postville, Makkovik and Rigolet
- Inuit Community Corporations located in North West River and Happy Valley-Goose Bay/Mud Lake
- Elections held every four years
- Presidential elections staggered
- Representing over 7,200 Beneficiaries
- Women encouraged to seek office
- Five women currently sit in Assembly

Significant Milestones

- 10th Anniversary of the establishment of the Nunatsiavut Government
- 40 years since the incorporation of the Labrador Inuit Association
- Special events planned including community celebrations and feasts on December 1

APPENDIX B



Nunatsiavut Energy Security Plan

Overview & Recommended Plan Sections

Final Draft 4.0 for Review

June 2015 – Updated August 2015



Makkovik



Rigolet



Hopedale



Nain



Postville

Overview

The Nunatsiavut Energy Security Plan ('The Plan') adopts a sustainable development approach in addressing energy security in the region, responding to social, economic and environmental conditions, and also touching on community infrastructure needs, such as housing and community facilities. Equally as important, the Plan is grounded in the regulatory and policy umbrella of the Newfoundland and Labrador Government, and the economics of energy that are a reality for all.

The Plan was initiated by the Nunatsiavut Government and has been produced through extensive national and global research on sustainable energy in remote and northern communities, in addition to local consultations in Nunatsiavut.

Preparation of this Energy Security Plan is a "first step" towards forging a more sustainable energy future in Nunatsiavut. Effort has been taken to ensure that the actions proposed can produce a range of energy security benefits for Nunatsiavut residents and businesses, and are community-centered and achievable over the short and medium term.

The full plan is comprehensive and detailed. The contents of the complete plan are contained in Appendix A.

This document is strictly the plan's Overview and the primary section (i.e. Section E) which lays out the specific Strategic Framework and actions proposed to the Nunatsiavut Government to consider for approval. The Table of Contents for the comprehensive Nunatsiavut Energy Security Plan is amended to this document for reference

A “Pathways” Plan for Nunatsiavut’s Energy Security

3i Sustainable Energy Approach

It is proposed that the Nunatsiavut Energy Security Plan adopt a *3i Sustainable Energy Approach* which leads to the design of initiatives, programs or projects which are Integrated, Implementable and Impactful thereby delivering tangible social, economic and environmental benefits/outcomes for residents of the region. The 3i’s *Sustainable Energy Approach* is characterized by the following parameters.

- **Integrated**, such that initiatives/programs/projects proposed specify management requirements for services, technology, technical and financing.
- **Implementable**, such that initiatives/programs/projects proposed are realistic relative to the capacity of the Nunatsiavut government, and the prospective funding and support from the province and Canada. This means that more focused energy initiatives/programs/projects are considered over the shorter term, and more fundamental energy shifts are subject to a longer term timeline.
- **Impactful**, such that initiatives/programs/projects proposed are relevant to Nunatsiavut residents and business and have meaningful impact on their consumption of energy, and energy costs and conditions, including the promotion of energy conservation/efficiency, and renewable energy.

An essential component of a *3i Sustainable Energy Approach* involves building sustainable energy knowledge and capacity within and amongst the Nunatsiavut Government, and local Nunatsiavut communities. The recommended initiatives/programs/projects described in the

44 next section include Nunatsiavut Energy Capacity Building (i.e. Pathway “A”) which would
45 include user-friendly and hands-on capacity building through the use of:

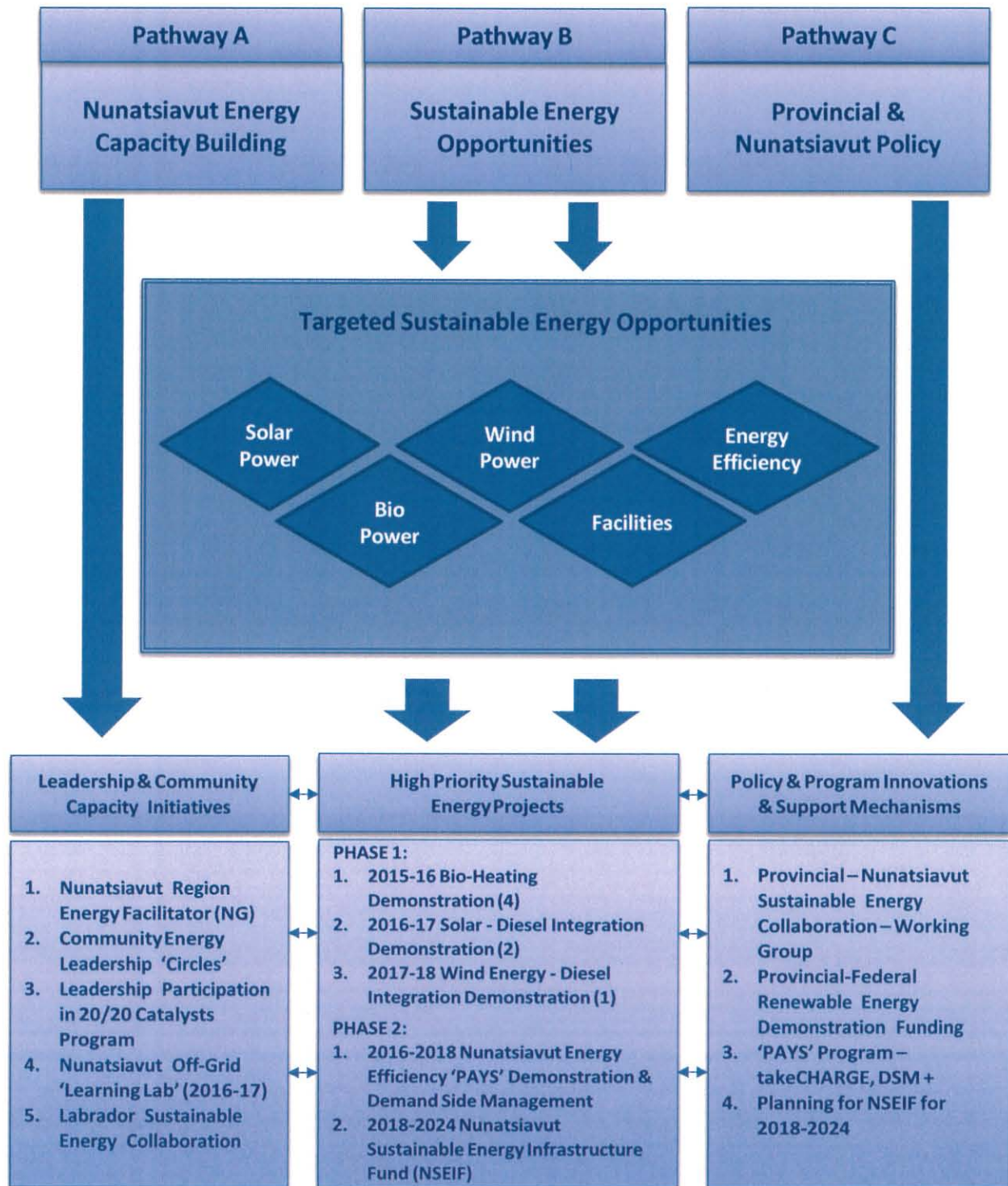
- 46 1. Presentations (audio and video) from other off-grid communities that have made
47 transitions away from diesel and heating fuel;
- 48 2. Project profiles on Aboriginal clean energy projects in remote communities across
49 Canada;
- 50 3. Teleconferences with local/regional governments from other off-grid Aboriginal
51 communities which have taken action on sustainable energy; and,
- 52 4. Topical presentations on subjects such as community energy planning, Greenhouse
53 Gas offsets, renewable energy technologies, environmental impact reduction, project
54 development, logistics, project financing and project governance.

55 Outreach and engagement activities with community leadership and residents promotes off-
56 grid energy security, energy efficiency, renewable energy and micro-grid initiatives developed
57 in Nunatsiavut that reflect regional and local community interests.

58 **Nunatsiavut Energy Security Plan Framework**

59 The Nunatsiavut Government’s Energy Security Plan Framework illustrated below defines specific
60 Energy Security Plan to build knowledge and capacity for the region. Implementing the plan will
61 require collaboration with the Government of Newfoundland and Labrador, Newfoundland and
62 Labrador Hydro, the provincial Public Utilities Board, the Government of Canada, and various
63 public and private agencies. Above all, implementation of the plan shall be done through, and
64 require the participation and guidance of, the local community governments in Nunatsiavut.

Nunatsiavut Energy Security Plan Framework



67 **Pathway A: Nunatsiavut Energy Capacity Building**

68 Below are the actions proposed under the Nunatsiavut Energy Capacity Building Pathway “A”,
69 and factors pertinent to implementation.

70 **1. Nunatsiavut Energy Facilitator (NG)**

- 71 Purpose: Have an in-house resource within the Nunatsiavut Government to
72 coordinate energy security initiatives, and support local communities.
- 73 Function: In-region knowledge and administrative capacity for sustainable energy
- 74 Timeline: Fiscal 2016-17
- 75 Resources: Full-time equivalent position with application for funding for a 3-year
76 period to Newfoundland and Labrador and Canada, through Community
77 Opportunities Program of the federal government, a renewed
78 ecoEnergy program, and provincial support made in the course of the
79 Public Utilities Commission consideration of electricity rates.
- 80 Outcome: Ensure Coordination within NG, and between NG and partners,
81 increasing the likelihood of successful initiatives

82 **2. Community Energy Leadership ‘Circles’**

- 83 Purpose: Local energy capacity building, and ensuring Energy Security initiatives
84 reflect local conditions, concerns and interests
- 85 Function: Engagement of community government, residents and business in
86 energy security initiatives
- 87 Timeline: Established in late 2015-16, meeting twice annually or associated with
88 Energy Security initiatives
- 89 Resources: Linked to the role of Energy Facilitator. May require some travel
90 resources
- 91 Outcome: Grounding of initiatives in local conditions, and buy-in/participation of
92 communities in Energy Security initiatives

93 **3. Leadership Participation in 20/20 Catalysts Program**

- 94 Purpose: Increasing community readiness, skills development and capacity
95 building for Energy Security initiatives within NG and communities,
96 particularly through connection with Aboriginal communities and
97 mentors elsewhere in Canada developing clean energy projects
- 98 Function: Participation in 20/20 Catalysts Program
- 99 Timeline: Fiscal 2016-17 when the 20/20 Program will take in the first group of
100 participants
- 101 Resources: \$15,000/individual. Could be part of a community energy capacity
102 proposal to the federal government through Community Opportunities
103 Program of the federal government, a renewed ecoEnergy program
- 104 Outcome: Enhanced local capacity, and connection with a Canada-wide network
105 for clean energy efforts.

106 **4. Nunatsiavut Off-Grid 'Learning Lab' (2016-17)**

- 107 Purpose: To profile Energy Security initiatives in Nunatsiavut, and engage experts
108 and resources for application in the region, including the provincial
109 government
- 110 Function: Promote the region and specific Energy Security initiatives with high
111 visibility and profile, and also attract visitors to the region
- 112 Timeline: Proposed for 2016-17, building a micro-grids workshop that is being
113 held in Yellowknife in the fall 2015.
- 114 Resources: Openness to support such an initiative from Canada, Canadian
115 government agencies, private corporations and foundations.
- 116 Outcome: Gaining input and connection for Energy Security initiatives in the region

117 **5. Labrador Sustainable Energy Collaboration**

118 Purpose: Promotion of clean energy initiatives along with the Innu Nation and
119 isolated communities throughout Labrador, and building connections
120 with larger Labrador centers

121 Function: Technical and utility resources will be easier to attract to projects with a
122 pan-Labrador focus

123 Timeline: 2016-17

124 Resources: Linked to the role of Energy Facilitator. May require some travel
125 resources

126 Outcome: A pan-Labrador sustainable energy perspective

127 **Track B: High Priority Sustainable Energy Projects**

128 Below are the actions proposed under High Priority Sustainable Energy Projects Pathway “B”
129 and factors pertinent to implementation.

130 **PHASE 1:**

131 **1. 2015-16 Bio-Heating Demonstration**

132 Purpose: Testing the potential of more energy efficient stoves in terms of wood
133 fuel requirements, cost, indoor air quality and space heating quality

134 Function: 2015-16: Installation and evaluation of 6 high efficiency stoves
135 2016-17: Installation and evaluation of 2 biomass-based household
136 district heating systems

137 Timeline: 2015-16, 2016-17

138 Resources: Activities for 2015-2016 funded through NRCan, funding to be found for
139 2016-2017, if direction approved

140 Outcome: Demonstration of technical and economic viability and performance of
141 high energy efficiency stoves and biomass-based district heating
142 systems
143 *For further details see the Biomass-to-Energy Conversion to Promote*
144 *Economic Development and Social Well-Being in Nunatsiavut* prepared
145 for the Nunatsiavut Government and NRCan, March 2015

146 2. Solar - Diesel Integration Demonstration

147 Purpose: To demonstrate the effectiveness of integrating a solar array into a
148 diesel reliant isolated system
149 Function: Installation of solar hot water heating capacity for the Illsuak Cultural
150 Centre in early fiscal 2016-17, followed by consideration of solar PV
151 installation on the facility later in the year provided funding and support
152 can be obtained.
153 Timeline: 2016-17
154 Resources: Supported by the federal government and industry contributions
155 Outcome: Solar demonstration in Nunatsiavut

156 3. 2016-17 Wind Energy - Diesel Integration Demonstration

157 Purpose: To demonstrate the effectiveness of integrating a wind turbine into a
158 diesel reliant isolated system
159 Function: Small scale wind-diesel hybrid in a Nunatsiavut community (potentially
160 Hopedale)
161 Timeline: 2017-18
162 Resources: TBD
163 Outcome: Wind energy demonstration in Nunatsiavut

164 **PHASE 2:**

165 **1. Nunatsiavut Energy Efficiency 'PAYS' Demonstration/Demand Side Management**

166 Purpose: To promote programming and financing through a new stand-alone
167 program, or through NLH whereby capital would be available to install
168 more energy efficiency devices (lighting, water heating, etc.) and
169 improved building insulation

170 Function: To reduce heating and electricity bills financing through energy cost
171 savings.

172 Timeline: 2016-17, and onwards

173 Resources: To be determined in discussion with the provincial government and NLH

174 Outcome: Improved energy efficiency and reduced energy costs

175 *A description of PAYS is found on the next page.*

176 **2. Nunatsiavut Sustainable Energy Infrastructure Fund (NSEIF)**

177 Purpose: Establishment of a long term infrastructure fund to improve the energy
178 efficiency of new and existing buildings in the region. Could be linked to
179 a larger infrastructure fund

180 Function: Promotion of a systems-oriented approach to new building design for
181 regional facilities and buildings

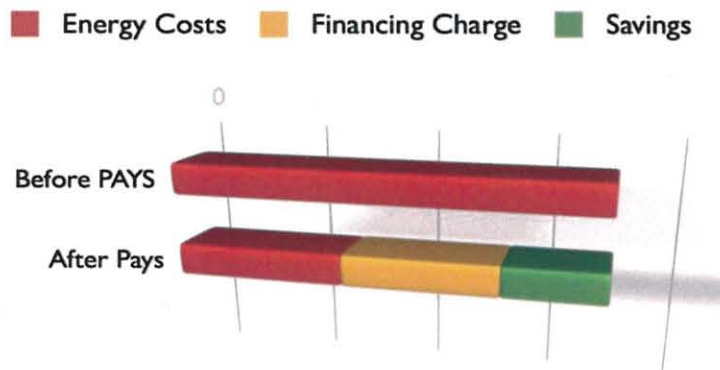
182 Timeline: 2018-24

183 Resources: To be determined

184 Outcome: Community and building infrastructure that is more energy efficient

Overview of a Pay-As-You-Save (PAYS) System

PAYS financing is an on-bill utility financing program, usually offered at relatively low interest rates, over a relatively long term. The purpose of PAYS financing is to remove the upfront cost barrier to households looking to invest in energy-saving technologies. PAYS programs are designed so that the household sees immediate energy bill reductions, even if they are small. Bills are often guaranteed not to increase. The illustration below highlights the cost distributions of a PAYS system.



Pay-As-You-Save (PAYS) is a mechanism adopted in a number of North American jurisdictions whereby homeowners can access financing through a utility, a government program, or utility-related entity to make investments in energy conservation and efficiency. Over time, this financing is paid back through electricity bill payments. However, it is important to note that the homeowner does not pay any more than they would have paid in the past. Rather, they make the same historical level of utility payments, even when the investments in energy conservation and efficiency lead to lower power consumption and costs. The cost savings incurred through lower power consumption is used to pay back the financing obtained. Once the financing is paid back through electricity consumption savings the homeowner benefits from a lower electricity bill, and an improved and more energy efficient dwelling.

Manitoba is a jurisdiction which has a robust, well-operating, and proven PAYS system. Power Smart PAYS Financing is a convenient and affordable financing option if homeowners wish to make energy efficiency upgrades to their home, such as space heating equipment, insulation, water heating and water conservation, toilets, etc. The PAYS mechanism is tied to the residence or business, and remains in force if the property is sold or transferred.

Developing a PAYS system for Labrador Isolated Customers has substantive merit. It is a means of catalyzing untapped energy efficiency opportunities. All homeowners, including the Nunatsiavut and Innu governments should have access to a PAYS program.

217 **Track C: Policy & Program Innovations & Support Mechanisms**

218 Below are the actions proposed under Policy & Program Innovations & Support Mechanisms,
219 Pathway “C” which involves close collaboration and engagement with the provincial
220 government and agencies, and potentially some federal participation and support.

221 **1. Provincial – Nunatsiavut Sustainable Energy Collaboration – Working Group**

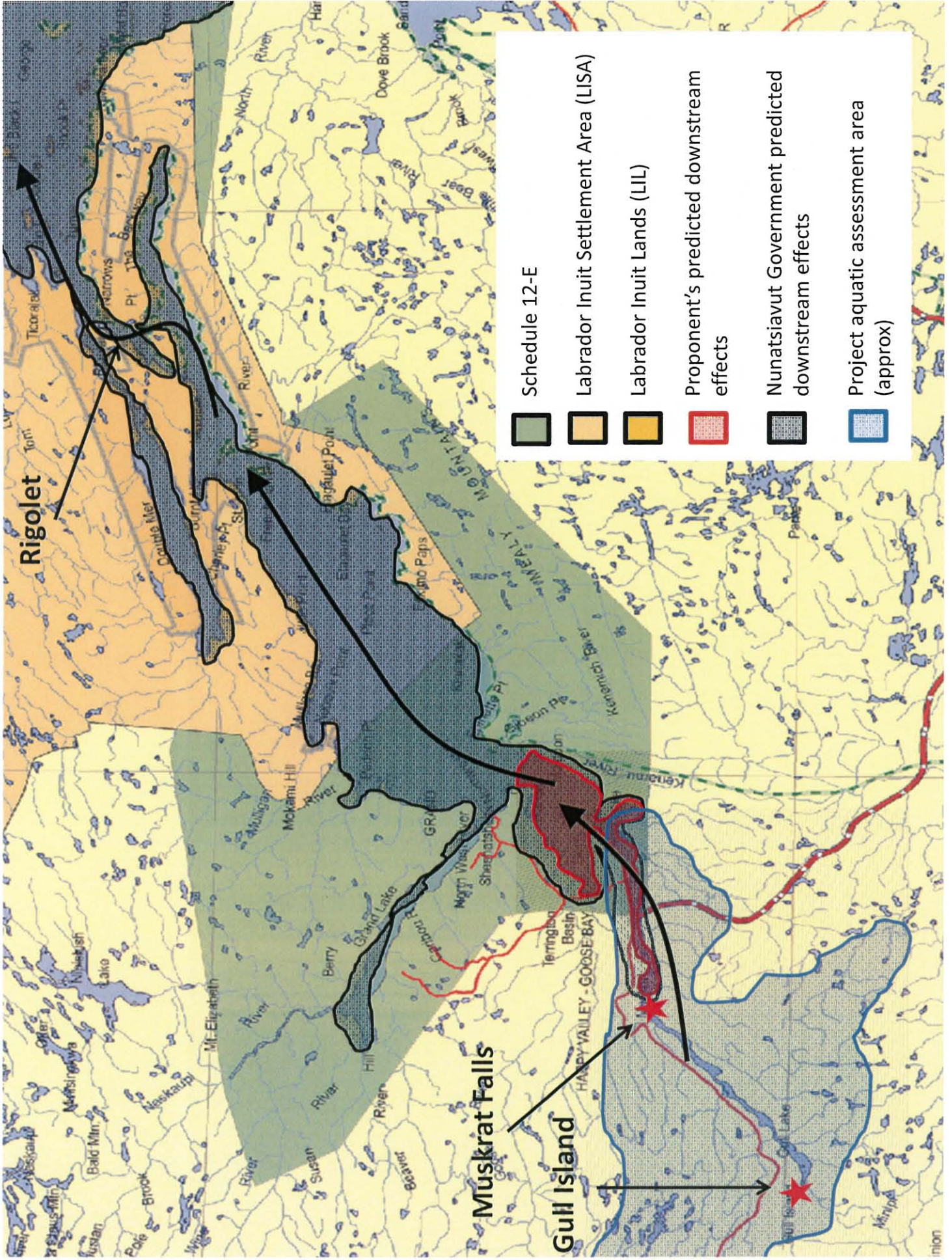
- 222 Purpose: Ensure energy security collaboration between the NG, Inuit
223 communities and the provincial government.
- 224 Function: A collaborative working group that convenes to consider Energy Security
225 initiatives and policies for the region
- 226 Timeline: 2015-16
- 227 Resources: Part of regular functions
- 228 Outcome: Joint Energy Security efforts.

229 **2. Provincial-Federal Renewable Energy Demonstration Funding**

- 230 Purpose: Approaching the province and federal governments to consider a
231 “package” of support for a bundle of Energy Security initiatives with
232 continued funding determined by initiative success and performance
- 233 Function: Adoption of a portfolio approach to Energy Security in the region
- 234 Timeline: 2016-17
- 235 Resources: Based on initiative budgets. Maybe be resourced from multiple
236 program and funding arrangements
- 237 Outcome: More effective implementation of projects on a portfolio rather than a
238 one-off basis

239 *It should also be emphasized that provincial participation and support, notably in*
240 *relation to policy changes will be required to affect the PAYS program and*
241 *planning/funding for the proposed NSEIF.*

APPENDIX C



Mercury – Nalcor

Nalcor predicts that:

*“...increases in methylmercury levels in fish (in Lake Melville) will be **moderated** compared to the river, as the overall fish exposure to methylmercury incorporates dietary items progressively less impacted by the reservoir in habitats farther downstream”*

AND

“Goose Bay dilutes any effects originating from upstream to “no measureable effects”

Mercury – Review Panel’s response to Nalcor

*“...Nalcor’s assertion that there would be no measurable effects on levels of mercury in Goose Bay and Lake Melville has **not been substantiated**”*

*“...**lack of information** from previous projects was likely compounded by Nalcor’s decision to place the study boundary at the mouth of the river and therefore not carry out baseline sampling in Lake Melville”*

*“The Panel concludes that Nalcor **did not carry out a full assessment** of the fate of mercury in the downstream environment, including the potential pathways that could lead to mercury bioaccumulation in seals and the **potential for cumulative effects** of the Project together with other sources of mercury in the environment”*

Panel Report Conclusions

- NunatuKavut (formerly Labrador Metis Nation)
 - Adverse but not significant impacts
- Quebec Aboriginal groups
 - Adverse but not significant impacts
- Labrador Innu
 - Adverse but not significant impacts

- Labrador Inuit
 - Need a new assessment of downstream effects. Should consumption advisories be required in GB and Lake Melville, there would be **significant adverse effects** on pursuit of traditional harvesting activities by Inuit, including the harvesting of country food

Mercury – Panel report

‘before Nalcor is permitted to begin impoundment, DFO require Nalcor to carry out a comprehensive assessment of downstream effects’

Nalcor is not doing this (DFO is not requiring it of them). They are analyzing some fish and ringed seal for mercury to get some baseline levels.

Does not increase our understanding of downstream effects in a meaningful and predictive way, as the Panel intended.

This approach places significant risks on Inuit health and wellbeing (inequitable distribution of risks/costs of the project).

Overview – NG taking charge

NG-led research and monitoring program, with academic partners,
called:

Lake Melville: Avativut Kanuittailinnivut (Our Environment, Our
Health)



What have we learned so far?

- The mercury influence of the Churchill River can be detected in Lake Melville beyond 150 km from the river mouth.
 - Note – Labrador Inuit Settlement Area is 60 km from the mouth of the Churchill River.
 - Mounting scientific evidence that flooding of the Churchill River will substantially increase methylmercury levels in Lake Melville, including the Labrador Inuit Settlement Area.
 - Methylmercury will enter the food chain and ultimately has the potential to impact Inuit health, rights and culture (and provincial costs associated with these impacts) – we are currently working on this component of the project