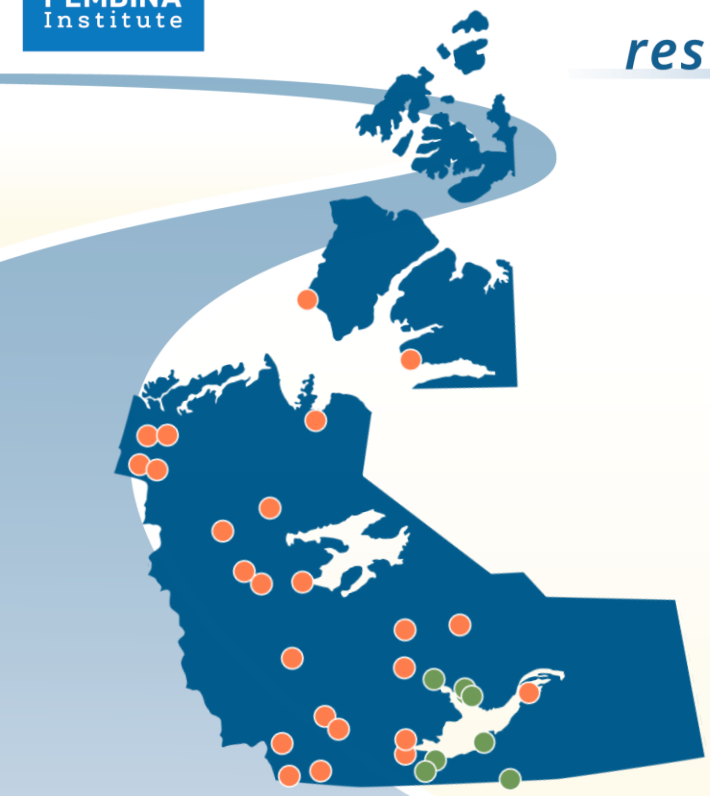

- Regional Grid Community
- Diesel Microgrid Community

Northwest Territories

The Northwest Territories has two regional hydro grids serving most of the territory's population, as well as 25 diesel-powered community microgrids.

Indigenous peoples have been taking steps to advance clean energy in the NWT, with many communities developing community energy plans and several advancing ambitious renewable energy projects despite significant barriers. Recent direction from the government signals promising changes in support of community-led clean energy.

Collaboration with rights-holders	Platforms for collaboration exist and commitment to UNDRIP is in legislation, but territorial funding and more focus on community energy is needed.
Plans and strategies	Net-zero target has been set but outcomes depend heavily on priorities set in the upcoming energy and climate strategy.
Funding and financing	Funding is available, but programs only cover a portion of project costs and the funding for capacity has a limited timeline.
Programs for efficient buildings	Well-designed programs for efficient buildings exist, but more consistent funding and long-term policy certainty are needed.
Independent power producer (IPP) market	Currently limited market for community energy projects; IPP policy under development as of 2025.

Restoring the flow: Northwest Territories

The Northwest Territories (NWT) is home to approximately 45,000 people, half of which are Indigenous.[78] The NWT's power system is made of two zones. The "hydro zone," which consists of two hydroelectric grids that supply about 71% of the territory's community electricity, and the "thermal zone," which is 25 isolated diesel and natural gas power plants that account for 21% and 8% of community electricity, respectively.[79]

Communities and governments have been taking steps to advance clean energy in the NWT, with several communities having developed community energy plans and renewable energy projects. However, persistent barriers such as high project costs, a lack of an independent power producer policy, and capacity constraint hamper progress. In April 2025, the territorial government issued 11 policy directives to the NWT's regulator of utilities, the Public Utilities Board (PUB), to support the transition to renewable energy by modernizing electricity regulation and planning, which promise to transform the energy landscape and create more opportunities for community-led projects.[80]

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[78] Statistics Canada, "2021 Census of Population," December 16, 2022. https://www12.statcan.gc.ca/census-recensement/2021/as-sa/fogs-spg/page.cfm?lang=E&topic=8&dguid=2021A000261

[79] Government of Northwest Territories, *Energy Initiatives Report: Reporting on Actions under the 2030 Energy Strategy, 2022–2023* (2024). https://www.inf.gov.nt.ca/sites/inf/files/resources/121-ei_report_2023_web.pdf

[80] Government of Northwest Territories, "Improving how electricity works for people and communities in the NWT," news release, April 17, 2025. https://www.gov.nt.ca/en/newsroom/improving-how-electricity-works-people-and-communities-nwt

Photo: Green Sun Rising, Colville Lake, NT, Oct 2015.

Collaboration with rights-holders

The Government of the NWT (GNWT) formally works with the seven regional Indigenous governments and three community-based Indigenous governments through the NWT Council of Leaders, but this forum has not historically focused on energy policy.[81] However, there are other groups, such as the Climate Change Council and the NWT Youth Climate Change Council, that share information and facilitate collaboration on the development of the NWT's climate and energy plans, though these groups have historically focused more on climate adaptation than energy.

Discussions about energy are happening in other forums. The Northwest Territories Association of Communities, a non-profit organization that represents the interests of all 33 communities in the territory, established an energy partnership table in 2023 to exchange information, share resources, and further community and regional energy priorities.[82]

In 2023, the GNWT enacted the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) Implementation Act, which affirms UNDRIP and commits to formally adopting its principles in all the territory's laws.[83] This is a positive step towards building a stronger base for co-governance and collaboration on energy policy.

Platforms for collaboration exist and commitment to UNDRIP is in legislation, but territorial funding and more focus on community energy is needed.

[81] Executive and Indigenous Affairs, "Indigenous Governments," *Government of the Northwest Territories.* https://www.eia.gov.nt.ca/en/indigenous-governments

[82] NWT Association of Communities, "Energy Partnership Table." https://energy.toolkitnwtac.com/

[83] Government of Northwest Territories, "Consistency of laws with UNDRIP Implementation Act," 2023. https://www.justice.gov.nt.ca/en/legislation/consistency-of-laws-with-undrip-implementation-act/

Plans and strategies

The 2030 NWT Climate Change Strategic Framework sets the GNWT's overall approach to address climate change. This framework is complemented by the 2030 Energy Strategy, released in 2018, which is the main mechanism to meet the territory's goal of reducing greenhouse gas emissions 30% below 2005 levels by 2030 and includes six strategic objectives.

One of these objectives is specific to the thermal zone: "Reduce GHG [greenhouse gas] from electricity generation in diesel-powered communities by an average of 25%."[84] How to achieve these objectives is set out in three-year energy action plans, and progress is reported annually in energy initiatives reports.[85]

In October 2024, the GNWT announced a territorial target of net-zero emissions by 2050 — the details of how this will be met are expected to be provided in a new energy and climate strategy to be released in 2026.[86] This strategy takes a new joint approach between the Departments of Infrastructure and Environment and Climate Change.[87] In July 2025, the PUB began to solicit input on the development of an Integrated Power Systems Plan (IPSP), which is being created to coordinate long-term and cost-effective infrastructure investment, renewable energy integration, and decarbonization strategies.[88] This plan is integral to the success of aligning the territory's energy supply and demand with a net-zero emissions target while taking into account the impacts of climate change on energy.

Net-zero target has been set but outcomes depend heavily on priorities set in the upcoming energy and climate strategy.

[84] Government of Northwest Territories, *2030 Energy Strategy* (2018), 13. https://www.inf.gov.nt.ca/sites/inf/files/resources/gnwt_inf_7272_energy_strategy_web-eng.pdf

[85] Government of Northwest Territories, *2023-2024 Energy Initiatives Report* (2025). https://www.inf.gov.nt.ca/sites/inf/files/resources/2023-24-ei-report_-web.pdf

[86] Liny Lamberink, "N.W.T. gov't commits to reaching net-zero emissions by 2050," *CBC News*, October 17, 2024. https://www.cbc.ca/news/canada/north/n-w-t-gov-t-commits-to-reaching-net-zero-emissions-by-2050-1.7354938

[87] Government of the Northwest Territories, "Caroline Wawzonek: Government of the Northwest Territories' New Approach to Energy and Climate Change," May 28, 2025. https://www.gov.nt.ca/en/newsroom/caroline-wawzonek-government-northwest-territories-new-approach-energy-and-climate-change

[88] The Northwest Territories Public Utilities Board, *Re: Board Initiated Proceedings for Consideration of the Electricity Policy Direction Dated April 16, 2025-Proceedings ID 2025-04* (2025). https://nwtpublicutilitiesboard.ca:81/Documents/Board%20Letter%20dated%20Jul%207,%202025%20Proceeding%202025-04.pdf

Community project funding and financing

Between 2018 and 2024, the GNWT invested $195 million to supporting the objectives of the 2030 Energy Strategy.[89] The territory's primary mechanisms for distributing the funds are through the Arctic Energy Alliance (described below) and the GHG Grant Program, which is divided into two streams. The government stream is available to community governments, municipalities, GNWT departments, as well as Indigenous governments and organizations, and funds up to 75% of total project costs for biomass boilers, biomass district heating systems, renewable electricity, and transportation initiatives.[90] The buildings and industry stream is open to businesses and non-profit and funds up to 25% and 40% of total project costs, respectively.[91]

Historically, the GNWT has also administered funding that was allocated through the federal government's Investing in Canada Infrastructure Program (ICIP) and Low Carbon Economy Fund (LCEF). However, these funds have now been fully disbursed; the territorial government is evaluating new federal funding opportunities for meeting clean energy investment needs.[92]

The Arctic Energy Alliance (AEA), a non-profit funded by the NWT government, provides similar grants for projects in communities across the NWT. Residents are eligible to receive up to $20,000 for project costs, and businesses, community governments, Indigenous governments and non-profit organizations up to $50,000.[93] The AEA also runs the Community Energy Planning Project, which provides funding and mentorship for community energy champions who are responsible for community energy planning and an developing an implementation plan for a community energy initiative.[94] Unfortunately, the program only runs for six months and does not support long-term capacity to fully implement community energy objectives.

Funding is available, but programs only cover a portion of project costs and the funding for capacity has a limited timeline.

[89] Government of Northwest Territories, *Energy Initiatives Report 2023-2024* (2025), 24. https://www.inf.gov.nt.ca/sites/inf/files/resources/2023-24-ei-report_-web.pdf

[90] *Energy Initiatives Report*, 32.

[91] Government of Northwest Territories, *Energy Initiatives Report* (2023), 32. https://www.inf.gov.nt.ca/sites/inf/files/resources/121-ei_report_2023_web.pdf

[92] Ollie Williams, "'No new sources' to replenish Arctic Energy Alliance funds," *Cabin Radio*, March 5, 2025. https://cabinradio.ca/226160/news/politics/no-new-sources-to-replenish-arctic-energy-alliance-funds/

[93] Arctic Energy Alliance, "Renewable Energy." https://aea.nt.ca/program/renewable-energy/

[94] Arctic Energy Alliance, "Call for Expressions of Interest - Community Energy Planning," media release, August 12, 2024. https://aea.nt.ca/news/call-for-expressions-of-interest-community-energy-planning-project-2/

Programs for efficient buildings

Funding for energy efficiency and building upgrades is delivered through the AEA, which historically has offered robust programs with high uptake across the territory. In 2023-2024, the AEA issued 3,024 incentives worth $2.5 million, saving 1,300 megawatt-hours of energy and reducing emissions by 1.5 kilotonnes of CO_2e.[95] These rebates covered energy efficient product purchases, energy evaluations, building improvements, and electric vehicle purchases.

The NWT is a leader on biomass heating in Canada, second only to Quebec.[96] The AEA's Community Wood Stove Program, which provides homeowners with wood stoves through partnerships with community organizations, has been quite successful, with 26 stoves being installed in 2022-23.[97]

Unfortunately, the AEA has announced several changes for the 2025-26 fiscal year due to financial constraints, with several rebates being reduced or no longer available.[98] This is a result of a gap in funding, which was previously met by the federal government's Low Carbon Economy Fund. The GNWT has no plans to replace this funding since it does not have the financial resources to do so; however, the GNWT is seeking federal funding to continue supporting this program.[99]

The territory has had a net metering program since 2014, which allows utility customers to install renewable energy generators smaller than 15 kW.[100] The program has been extremely popular in the NWT, though future uptake may be impacted by the direction given by the GNWT to the PUB in April 2025 to lower the rate in the net metering program, since "non-utility intermittent power producers are likely being overcompensated for the power they provide to the system."[101]

Well-designed programs for efficient buildings exist, but more consistent funding and long-term policy certainty are needed.

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[95] *Energy Initiatives Report, 2022-2023*, 10.

[96] Natural Resources Canada, *2023 Canadian Bioheat Database: Community, Commercial, and Institutional Bioheat Installations in Canada* (2023), 4. https://natural-resources.canada.ca/sites/nrcan/files/energy/pdf/2023%20Canadian%20bioheat%20survey%20update%20by%20CanmetENERGY_NRCan.pdf

[97] Arctic Energy Alliance, *2022/23 Annual Report* (2023), 6. https://aea.nt.ca/news/2022-23-annual-report/

[98] Arctic Energy Alliance, "Energy-efficient products." https://aea.nt.ca/program/energy-efficient-products/

[99] Cabin Radio, "'No new sources' to replenish Arctic Energy Alliance funds." https://cabinradio.ca/226160/news/politics/no-new-sources-to-replenish-arctic-energy-alliance-funds/

[100] Northwest Territories Power Corporation, "Net Metering." https://www.ntpc.com/customer-service/net-metering

[101] Government of the Northwest Territories, *2025 Electricity Policy Direction the NWT Public Utilities Board* (2025). https://www.inf.gov.nt.ca/sites/inf/files/2025-04-16-2025-electricity_policy_direction_the_nwt_public_utilities_board.pdf

Independent power producer (IPP) market

The territory does not have a formal IPP policy, but NTPC has four PPAs with Indigenous-led IPPs.[102] All four projects are solar photovoltaic installations, with a combined capacity of 1,231 kW.[103] The power purchase prices were all set according to the avoided cost of diesel.[104] These PPAs and are all between NTPC and Indigenous-owned businesses.

In 2025 the GNWT has directed the PUB to develop an IPP policy that prioritizes community and Indigenous ownership and transparency in power purchase agreements (PPAs).[105]

There is currently a 20% limit for intermittent renewable energy generation in individual thermal zone communities based on the annual average community energy demand.[106] The limit on intermittent renewable energy generation includes net metering, IPP, and utility-owned projects. It was put in place to mitigate concerns around electricity system reliability. This limit is set to increase to 30%, potentially more with the addition of batteries, in 2025.[107]

Some communities are pushing past this 20% limit by including energy storage. Inuvik, which has a 3.5 MW wind project and over 1 MW of solar photovoltaic installed, was able to exceed the cap on intermittent renewables by adding a battery alongside the wind project.

Currently limited market for community energy projects; IPP policy under development as of 2025.

[102] Government of Northwest Territories, *Energy Initiatives Report* (2022). https://www.inf.gov.nt.ca/sites/inf/files/resources/121-ei_report_2023_web.pdf

[103] *Energy Action Plan 2022-2025*.

[104] Northwest Territories Power Corporation, *NTPC 2022-23 General Rate Application* (2022). https://nwtpublicutilitiesboard.ca:81/Documents/Exhibit%202022-001-023%20Northwest%20Territories%20Power%20Corporation%20Responses%20to%20all%20Information%20Requests.pdf

[105] Government of Northwest Territories, "Improving how electricity works for people and communities in the NWT," news release, April 17, 2025. https://www.gov.nt.ca/en/newsroom/improving-how-electricity-works-people-and-communities-nwt

[106] Northwest Territories Public Utilities Board, *Decision NTPC NUL Net Metering Application Revised Jan 21* (2014), 2. https://nwtpublicutilitiesboard.ca:81/Documents/1-2014%20DECISION%20NTPC%20NUL%202013%20Net%20Metering%20Applications_0.pdf

[107] "Improving how electricity works."

Community outcomes

Communities in the NWT are clear in their clean energy ambitions, with several Indigenous-owned renewable energy projects operating or in development, and many community energy plans in place. Much of this progress is supported by the training and hiring of community energy champions through the federally run Indigenous Off-Diesel Initiative and the AEA's Community Energy Planning Project.

Several NWT communities have operating renewable energy projects. Many communities are exploring implementing new electricity generation projects, for example Paulatuk's project to implement solar, wind, and battery storage.[108,109]

Other Indigenous governments, such as the Yellowknives Dene First Nation, are in early stages of evaluating renewable energy opportunities in their territory.[110] Some communities are choosing to focus on energy efficiency and woodstoves rather than renewables, such as those in the Dehcho Region.[111,112] Two persistent challenges to completing renewable energy projects have been (1) securing sustainable, long-term funding to carry out community energy plans, particularly once the current round of funding has ended, and (2) a lack of community capacity to implement the energy plans.

[108] Northwest Territories Power Corporation, *Net Metering Capacity by Community* (2024). https://www.ntpc.com/sites/default/files/2024-06/Net%20Metering%20Capacity%20by%20Community%20-%20June%203%2C%202024.pdf

[109] Chloe Williams, "Paulatuk's long road to 100-percent renewable energy," *Cabin Radio*, May 27, 2024. https://cabinradio.ca/184650/news/beaufort-delta/paulatuk/paulatuks-long-road-to-reaching-100-percent-renewable-energy/

[110] Ollie Williams, "Det'on Cho considers starting its own renewable energy project," *Cabin Radio*, February 6, 2025. https://cabinradio.ca/221639/news/yellowknife/deton-cho-considers-starting-its-own-renewable-energy-project/

[111] Government of Canada, *Minister Vandal announces funding to build a greener future in the Dehcho Region, creating jobs and making life more affordable* (2022). https://www.canada.ca/en/crown-indigenous-relations-northern-affairs/news/2022/10/minister-vandal-announces-funding-to-build-a-greener-future-in-the-dehcho-region-creating-jobs-and-making-life-more-affordable.html

[112] Claire McFarlane, "New program gives free wood stoves to Dehcho residents," *Cabin Radio*, March 5, 2025. https://cabinradio.ca/225652/news/environment/new-program-give-free-wood-stoves-to-residents-in-the-dehcho/

Priorities for action

The territorial government's direction to the PUB in spring 2025 signalled a coming shift in opportunities available for renewable energy development in the NWT by directly addressing issues that have obstructed projects in the region and limited further development. It is paramount that Indigenous governments, communities, utilities, the PUB, and the GNWT work collaboratively and regularly to successfully implement these directives and establish an enabling framework as part of the new energy and climate change strategy.

The GNWT should focus on ensuring their existing programs are well supported with funding, offering long term capacity building opportunities for communities, and working with the utilities to implement technical upgrades to allow for higher levels of renewable energy on the thermal grids, such as energy storage.

Photo: Green Sun Rising, Sachs Harbour, NWT.