

*Rethinking Regulation to Decarbonize Canada*

# Decarbonizing Remote Indigenous Communities

Energy regulation and  
Indigenous-owned renewables  
in the Northwest Territories



March  
2025

Emily He

**PEMBINA**  
Institute

# Decarbonizing Remote Indigenous Communities

## Energy regulation and Indigenous-owned renewables in the Northwest Territories

Emily He

March 2025

---

Recommended citation: He, Emily. Decarbonizing Remote Indigenous Communities: Energy regulation and Indigenous-owned renewables in the Northwest Territories. The Pembina Institute, 2025.

©2025 The Pembina Institute

All rights reserved. Permission is granted to reproduce all or part of this publication for non-commercial purposes, as long as you cite the source.

The Pembina Institute  
#802, 322 – 11 Avenue SW  
Calgary, AB T2R 0C5  
403-269-3344



[www.pembina.org](http://www.pembina.org)

[x.com/pembina](https://x.com/pembina)

[facebook.com/pembina.institute](https://facebook.com/pembina.institute)

[linkedin.com/company/  
pembina-institute/](https://linkedin.com/company/pembina-institute/)

The Pembina Institute is a national non-partisan think tank that advocates for strong, effective policies to support Canada's clean energy transition. We use our expertise in clean energy analysis, our credibility as a leading authority on clean energy, and our extensive networks to advance realistic climate solutions in Canada.

## Donate

Together, we can lead Canada's transition to clean energy. Your gift directly supports research to advance understanding and action on critical energy and environmental issues. Canadian charitable number 87578 7913 RR 0001; [pembina.org/donate](https://pembina.org/donate)

---

## Acknowledgements

The Pembina Institute acknowledges that the work we steward and those we serve span across many Nations. The Pembina Institute recognizes and affirms the traditional territories and homeland of the Dene, Inuit and Métis peoples of the Northwest Territories. We respectfully acknowledge the presence of many diverse First Nations, Inuit, and Métis Peoples on these lands.

We respectfully acknowledge that our organization is headquartered in the traditional territories of Treaty 7, comprising the Blackfoot Confederacy (Siksika, Piikani and Kainai Nations); the Stoney Nakoda Nations (Goodstoney, Chiniki and Bears paw First Nations); and the Tsuut'ina Nation. These lands are also home to the Otipemisiwak Métis Government (Districts 5 and 6).

These acknowledgements are part of the start of a journey of several generations. We share them in the spirit of truth, justice and reconciliation, and to contribute to a more equitable and inclusive future for all.

To support the mandate of Canada's Net-Zero Advisory Body related to research, this project was undertaken with the financial support of the Government of Canada. Funding was provided through the Environmental Damages Funds' Climate Action and Awareness Fund, administered by Environment and Climate Change Canada.

This project was undertaken with the financial support  
of the Government of Canada.

Ce projet a été réalisé avec l'appui financier  
du gouvernement du Canada.

Canada

# Contents

1. Introduction .....	1
1.1 Methodology .....	2
2. Background .....	3
2.1 Key players .....	3
3. Legislation, rules and mandates .....	6
3.1 Relevant legislation and rules .....	6
3.2 Mandates .....	6
4. Current conditions .....	8
5. Recommendations .....	12
5.1 Government actions .....	12
5.2 Regulator actions .....	15

## List of acronyms

Acronym	
GNWT	Government of the Northwest Territories
IPP	Independent Power Producer
NWT	Northwest Territories
NTPC	Northwest Territories Power Corporation
PPA	Power Purchase Agreement
PUA	Public Utilities Act
PUB	Public Utilities Board
UNDRIP	United Nations Declaration on the Rights of Indigenous Peoples

# 1. Introduction

This report focuses on the Northwest Territories (NWT) and is one of four detailed reports that provide a jurisdiction-based, comprehensive analysis of the current state of electricity legislation and regulation and explore potential pathways to enable Indigenous-owned renewable energy projects in remote communities. The other three reports cover British Columbia, Nunavut and the Yukon, respectively.

A summary report, *Decarbonizing Remote Indigenous Communities: Regulatory reform in B.C. and the territories*, provides an overview of the analyses and recommendations contained in the detailed reports.

The summary and detailed reports can be found at <https://www.pembina.org/pub/decarbonizing-remote-indigenous-communities>.

Decarbonizing the energy systems of remote communities is a complex challenge, with intersecting regulatory, legislative and economic barriers. Analyzed in this report are the legislative and regulatory frameworks for implementing clean energy projects in remote, diesel-reliant communities within the NWT. As part of this analysis, we provide an overview of key actors; examine the legislation, regulation, and policy that govern energy development; and highlight the current conditions in the territory that promote or impede clean energy projects. We then set out tailored recommendations for the territorial government and regulator to accelerate clean energy development in remote communities; advance inclusive decision-making; and foster Indigenous leadership and partnership in the clean energy transition.

## 1.1 Methodology

A thorough literature review was done of various sources, including legislation and regulations, research papers, policy papers, reports, and government documents. Additionally, a diverse range of people were interviewed, among them clean energy professionals and advocates, public servants, and representatives from electric utilities and regulators.

## 2. Background

The Northwest Territories is home to about 45,000 people, of which 50% are Indigenous.<sup>1</sup> There are 33 communities in the NWT, none of which are connected to the North American electricity or natural gas network. The territory's power system is made up of two zones. The "hydro zone," which consists of two completely independent hydroelectric grids that supply about 71% of the territory's community electricity, and the "thermal zone," which is made of 25 isolated diesel and natural gas power plants. Within this zone, diesel accounts for 21% of community electricity while natural gas power plants account for 8%.<sup>2</sup>

There are four signed power purchase agreements (PPAs) in the territory between Indigenous governments and organizations (generators and sellers of the electricity) and the utilities (buyers). These four projects are all solar PV installations with a combined capacity of 1,231 kW, less than 1% of total community electricity.<sup>3</sup>

### 2.1 Key players

The following entities all play a role in developing policy, making decisions, and developing projects to supply energy in the NWT.

#### Government of the Northwest Territories (GNWT)

The **Energy Division** of the **Department of Infrastructure** is responsible for developing plans, programs and projects to promote the use of energy efficient and renewable energy technologies. This includes fulfilling the vision, goals and strategic objectives of the territory's 2030 Energy Strategy and the development of future energy strategies.<sup>4</sup> The **Department of Executive and Indigenous Affairs** is responsible for "representing the interests of the territorial government and residents of the NWT in Indigenous Rights negotiations and in relations with other governments."<sup>5</sup>

---

<sup>1</sup> 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>

<sup>2</sup> Government of Northwest Territories, *Energy Initiatives Report: Reporting on Actions under the 2030 Energy Strategy* (2024), 25. [https://www.inf.gov.nt.ca/sites/inf/files/resources/121-ei\\_report\\_2023\\_web.pdf](https://www.inf.gov.nt.ca/sites/inf/files/resources/121-ei_report_2023_web.pdf)

<sup>3</sup> *Energy Initiatives Report: Reporting on Actions under the 2030 Energy Strategy*, 34.

<sup>4</sup> R. J. Simpson, NWT premier, mandate letter to Minister Caroline Wawzonek, June 12, 2024. Available at [https://www.eia.gov.nt.ca/sites/eia/files/mandate\\_letter-2023-2027-minister\\_caroline\\_wawzonek.pdf](https://www.eia.gov.nt.ca/sites/eia/files/mandate_letter-2023-2027-minister_caroline_wawzonek.pdf)

<sup>5</sup> Government of Northwest Territories, *Executive Council Submissions Handbook* (2023), 16. [https://www.eia.gov.nt.ca/sites/eia/files/2021\\_04\\_22\\_ecshb.pdf](https://www.eia.gov.nt.ca/sites/eia/files/2021_04_22_ecshb.pdf)

The regulator and government-owned utility (introduced/discussed below) are each overseen by a **minister** who is responsible for ensuring that the organization carries out its mandates.

## Indigenous governments

There are seven **regional Indigenous governments** that each represent multiple communities, and three **community-based Indigenous governments** that represent individual communities in the NWT. These governments have either entered into or are in the process of negotiating self-governing agreements with the GNWT and the Government of Canada.<sup>6</sup> These agreements establish the powers and responsibilities of self-government and may also address land and resource rights. Clean energy development is not specifically addressed in these agreements, but they do serve as foundations for how the territorial and Indigenous governments divide responsibilities and collaborate. Several Indigenous governments have indicated interest in diesel reduction and renewable energy development within their communities.

## Regulator

The **Northwest Territories Public Utilities Board (PUB)** is an independent, quasi-judicial regulatory agency of the GNWT. The PUB acts in accordance with legislation and other pieces of policy created by the government. The PUB approves general rate applications by utilities and other major utility investments.

The PUB also plays an important role when public utilities enter into agreements with independent power producers (IPPs) in remote communities. As part of this process, the PUB will carry out one of the following functions:

- Directly review the terms of agreement for the sale and purchase of energy<sup>7</sup>
- Indirectly review the terms of agreement through regulatory oversight of the utility

## Utilities

Utilities are responsible for generating, distributing and transmitting electricity. There are three regulated utilities in the NWT:

- the **Northwest Territories Power Corporation (NTPC)**, which is 100% owned by the GNWT, and

---

<sup>6</sup> Executive and Indigenous Affairs, “Indigenous Governments,” *Government of Northwest Territories*.

<https://www.eia.gov.nt.ca/en/indigenous-governments>

<sup>7</sup> Note this is not very common for the PUB. It is only asked to play this role when it has been directly implicated in the general rate application review process.



- **Naka Power (Yellowknife) and Naka Power (NWT)**, both a 50/50 partnership between ATCO Ltd. and Denendeh Investments Incorporated, which represents 27 Dene First Nations across the NWT.<sup>8</sup>

In the hydro zone, NTPC generates power and distribution is the responsibility of Naka Power in Yellowknife, Ndilo, Enterprise, Hay River and Kátł'odeeche First Nation. In the remaining communities (Whati, Enterprise, Fort Resolution, and Fort Smith), NTPC both generates and distributes power.

In the majority of the thermal zone, NTPC is responsible for both generation and distribution, with the exception of Dory Point, Kakisa, Fort Providence, Sambaa K'e and Wekweètì which are serviced by Naka Power (NWT). Thus all communities must work directly with the utility to develop diesel-reducing clean energy projects.

---

<sup>8</sup> NAKA Power, "About Us: Working together to power the territories." <https://www.nakapower.com/en-ca/about-us.html>

## 3. Legislation, rules and mandates

### 3.1 Relevant legislation and rules

The *Public Utilities Act* (PUA) establishes the responsibilities, authority, and functions (effectively, the mandate) of the regulator and public utilities.<sup>9</sup>

The *Northwest Territories Power Corporation Act* establishes the NTPC and its responsibilities and objectives. Under the act, the NTPC is directed to ensure a supply of energy “on a safe, economic, efficient and reliable basis” and “adequate for the needs and future development of the Territories.”<sup>10</sup>

The *United Nations Declaration on the Rights of Indigenous Peoples Implementation Act* affirms UNDRIP, requires that all proposed legislation be aligned with UNDRIP, and legislates the creation of an action plan for its adoption into existing laws. The act was passed in October 2023 and mandates that the action plan must be completed within two years of when the act comes into force.<sup>11</sup>

The *Public Utilities Act Rules of Practice and Procedure* sets out the procedures and operating practices of the regulator (PUB), including the processes and requirements for regulatory proceedings.

### 3.2 Mandates

The following mandates are grouped as either ministerial mandate letters or organizational mandates. Organizational mandates are set out in legislation and are therefore relatively inflexible; they only change via complex and public processes. Mandate letters are more temporary in nature, they are directed by a Ministry at the beginning of a new political mandate.

#### Ministerial mandate letters

The Legislative Assembly of the Northwest Territories establishes a mandate that sets out the priorities for the current governing period. Although the mandate for 2023 to 2027 does not

---

<sup>9</sup> Government of Northwest Territories, *Public Utilities Act*, R.S.N.W.T. 1988, c. 24. <https://www.justice.gov.nt.ca/en/files/legislation/public-utilities/public-utilities.a.pdf>

<sup>10</sup> Government of Northwest Territories, *Northwest Territories Power Corporation Act*, R.S.N.W.T. 1988, c. N-2. <https://www.justice.gov.nt.ca/en/files/legislation/nwt-power-corporation/nwt-power-corporation.a.pdf>

<sup>11</sup> Government of Northwest Territories, *United Nations Declaration on the Rights of Indigenous Peoples Implementation Act*, SNWT 2023, c 36. <https://www.justice.gov.nt.ca/en/files/legislation/undrip-implementation/undrip-implementation.a.pdf>

specifically address energy or climate change, the government does commit to investing in clean, reliable and sustainable energy, in addition to supporting a low-carbon economy.<sup>12</sup> Furthermore, the GNWT commits to working with Indigenous governments in implementing its mandate, including achieving the objectives of UNDRIP, strengthening government-to-government relationships, and supporting economic reconciliation.<sup>13</sup>

In addition to the legislative assembly's mandate, individual ministers are given mandate letters. The most recent June 2024 mandate letters to the minister of Infrastructure, minister responsible for the NTPC, and minister responsible for the PUB state that the ministers are to advance reconciliation, UNDRIP, and government-to-government relationships with Indigenous governments.<sup>14,15</sup> This mandate does not directly affect Naka Power, as it is a privately-owned corporation.

## Organizational mandates

Regulator and utility mandates are further set out in legislation, and these mandates motivate and guide actions and decisions.

The PUA mandates that a public utility must provide safe, adequate and proper service.<sup>16</sup> The act also stipulates that the rates for service set by the utility must be fair, just and reasonable. Fairness, in this context, refers to practices that are non-discriminatory, non-preferential, and not prejudicial and that do not disadvantage any person or locality.<sup>17</sup> The regulator is mandated in the PUA to ensure that the utilities comply with the act.

---

<sup>12</sup> Government of Northwest Territories, *Mandate of the Government of the Northwest Territories 2023 to 2027*. [https://www.eia.gov.nt.ca/sites/eia/files/mandate\\_of\\_the\\_government\\_of\\_northwest\\_territories\\_eng.pdf](https://www.eia.gov.nt.ca/sites/eia/files/mandate_of_the_government_of_northwest_territories_eng.pdf)

<sup>13</sup> *Mandate of the Government of the Northwest Territories 2023 to 2027*.

<sup>14</sup> R.J. Simpson, NWT premier, mandate letter to Minister Vince McKay, June 12, 2024. Available at [https://www.eia.gov.nt.ca/sites/eia/files/mandate\\_letter-2023-2027-minister\\_vince\\_mckay.pdf](https://www.eia.gov.nt.ca/sites/eia/files/mandate_letter-2023-2027-minister_vince_mckay.pdf)

<sup>15</sup> Mandate letter to Minister Caroline Wawzonek, June 12, 2024.

<sup>16</sup> *Public Utilities Act*, section 76(1).

<sup>17</sup> *Public Utilities Act*, section 48.

## 4. Current conditions

Communities and governments are pursuing ambitions for clean energy in the NWT. For example, the GNWT has set out goals and actions in its 2030 Energy Strategy and associated three-year energy action plans, including to reduce greenhouse gas emissions from electricity generation in diesel communities by 25%.<sup>18</sup> In October 2024, the GNWT committed to net-zero emissions by 2050.<sup>19</sup> As stated by the minister responsible for the NTPC, “customers are demanding that NTPC move forward with more renewable generation and less reliance on diesel generation. [...] As the Minister Responsible for NTPC, I’m committed to finding a fiscally sustainable path forward.”<sup>20</sup>

Despite evolving commitments and signals, people we interviewed highlighted the need for more action by the government and regulator to support clean energy. As one interviewee shared, “the system is not designed to encourage Indigenous-led renewable energy projects.” The following section highlights these concerns and draws special attention to several key challenges for diesel reduction in the NWT.

### Small population sizes and ratepayer base

The NWT’s relatively small population and ratepayer and taxpayer systems limit the ability of the territory to raise revenue for new infrastructure projects, including renewable energy. In the provinces, the cost of a 2 MW wind project may be relatively insignificant when spread over millions of electricity customers. In the NWT, these costs are spread among fewer people, resulting in greater economic impacts when added to ratepayers’ bills.

This has historically led to a heavy reliance on federal funding to support clean energy projects and other upgrades electricity infrastructure. One interviewee noted, however, that currently there is a lack of federal funding available to utilities to upgrade their systems and accommodate new clean energy projects, potentially resulting in higher costs to all ratepayers. Another interviewee expressed that climate and reconciliation priorities need funding options for the 2030 Energy Strategy to align with rate paying interests — without this, utilities would need to raise rates to meet diesel reduction goals that require deployment of solar, batteries.

---

<sup>18</sup> 2030 Energy Strategy, 20.

<sup>19</sup> <https://www.pembina.org/media-release/first-time-northwest-territories-commits-net-zero-2050-target>

<sup>20</sup> Northwest Territories Power Corporation, “NTPC Applies for Collection Rider Due to High Diesel Prices,” February 16, 2024. <https://www.ntpc.com/about-ntpc/news-releases/2024/02/16/ntpc-applies-collection-rider-due-high-diesel-prices>

This barrier is amplified by the territory's electricity cost rate structure, where thermal zone communities balance their electricity system costs independently from hydro zone communities.<sup>21</sup> This means that thermal communities, which have a far smaller population than the rest of the NWT, must bear the brunt of new electricity infrastructure costs. Consequently, covering the costs to support Indigenous-owned renewable energy projects (e.g., upgrading microgrids) that are not directly offset by diesel reduction becomes much more economically challenging.

## Electricity rate structure

Financial barriers under the regulatory framework were identified as the biggest hurdle, specifically the rate structure and utility mandate to ensure that costs are fair, just and reasonable. Mandates like this are in general appropriate for maintaining efficient and economic utility operations; however, they narrowly define priorities and benefits. In practice, when not provided with specific direction, regulators and utilities will prioritize economic efficiency and lowest-cost options over other means of generating electricity, such as Indigenous-owned renewable energy. Given this, interviewees emphasized the need for GNWT direction. Without it, utilities struggle to clear financial hurdles of IPP projects and lack a framework for justifying the costs to support such projects that could put upward pressure on ratepayers. What this means is that meeting climate and reconciliation priorities in the NWT's energy sector requires the government to provide specific direction to regulators and utilities.

## Lack of an independent power producer policy

Unlike the other territories, the NWT does not have an IPP policy that enables projects to generate and sell electricity to a utility through a legally binding PPA. An IPP policy defines how PPA rates are set and may lay out other contract terms.<sup>22</sup> Although the NWT has a few PPAs, community projects have stalled due to the lack of an IPP policy, according to interviewees. Without a specific policy, utilities and project proponents are forced to bear greater risks due to prolonged PPA negotiation timelines and utility uncertainty on how to integrate IPP projects without impacts to their ratepayers.

---

<sup>21</sup> There is a small range within which utilities are able to balance costs across rate zones. The PUB established this in their 2017 Electricity Rate Policy Direction

[https://www.gov.nt.ca/sites/flagship/files/documents/letter\\_to\\_pub\\_chair\\_o.pdf](https://www.gov.nt.ca/sites/flagship/files/documents/letter_to_pub_chair_o.pdf)

<sup>22</sup> Emily He, *Power Purchase Agreements* (Pembina Institute, 2024). <https://www.pembina.org/pub/power-purchase-agreements>

## Intermittent renewable generation limit

Another constraint is the limit placed by the PUB on the amount of intermittent renewable generation installed in each thermal zone community: the amount of renewables must be less than 20% of the annual average community energy demand.<sup>23</sup> This includes net-metering, IPP, utility-owned and behind-the-meter renewable energy projects. The limit was put in place to mitigate concerns around electricity system reliability; however, more recent studies commissioned by the GNWT demonstrate that higher amounts of renewable energy in communities is possible without affecting system reliability, especially if batteries are installed.<sup>24</sup> In reality, there are communities where the installed amount of renewable energy exceeds this limit, such as in Inuvik with the NTPC-owned Inuvik Wind project. This demonstrates that this constraint strictly adhered to. Some interviewees stated that larger scale renewable energy projects are able to proceed if they install a battery in conjunction with any renewables, as is the case in Inuvik. Despite this, there remain many misconceptions among utilities, communities and government about the true impacts and constraints posed by this limit.

## The role of UNDRIP in NWT energy

Many interviewees emphasized unique nuances and attitudes towards reconciliation in the NWT. To quote one interviewee, “because 50% of the NWT’s population is Indigenous and decision-makers are Indigenous, reconciliation has not been a priority until recently.” However, despite the significant population of Indigenous people in the NWT, there are still systemic barriers as a result of colonization.

Barriers like these exist throughout the energy system because power around decision-making and project ownership remain in the control of territorial governments and organizations. Adequate practices are lacking around meaningful collaboration with Indigenous governments and organizations on energy plans, projects and decisions. In March 2024, the GNWT released the *Our Energy and Climate Future in a Changing World* report, which summarized feedback received on its renewal of the 2030 Energy Strategy. A key piece of feedback was the need for the GNWT to articulate clear roles and responsibilities for all parties involved in the energy transition, including Indigenous governments and organizations.<sup>25</sup>

---

<sup>23</sup> Public Utilities Board of the NWT, *Decision 1-2014* (2014). [https://nwtpublicutilitiesboard.ca:81/Documents/1-2014%20DECISION%20NTPC%20NUL%202013%20Net%20Metering%20Applications\\_o.pdf](https://nwtpublicutilitiesboard.ca:81/Documents/1-2014%20DECISION%20NTPC%20NUL%202013%20Net%20Metering%20Applications_o.pdf)

<sup>24</sup> CIMA+, *Government of the Northwest Territories – Microgrid Stability with Intermittent Renewables*, prepared for the GNWT (2021). [https://www.inf.gov.nt.ca/sites/inf/files/resources/s13291a\\_renewable\\_energy\\_penetration\\_analysis\\_-\\_gnwt.pdf](https://www.inf.gov.nt.ca/sites/inf/files/resources/s13291a_renewable_energy_penetration_analysis_-_gnwt.pdf)

<sup>25</sup> Government of Northwest Territories, *Our Energy and Climate Future in a Changing World* (2024). [https://www.inf.gov.nt.ca/sites/inf/files/resources/our\\_energy\\_and\\_climate\\_future\\_in\\_a\\_changing\\_world\\_what\\_we\\_heard\\_report.pdf](https://www.inf.gov.nt.ca/sites/inf/files/resources/our_energy_and_climate_future_in_a_changing_world_what_we_heard_report.pdf)

The GNWT has been enhancing its structures and processes for collaboration, including the NWT Council of Leaders, which is the official avenue by which the GNWT collaborates with Indigenous governments.<sup>26</sup> In November 2020, the GNWT adopted a legislative development protocol, which gives Indigenous governments equal decision-making power when drafting laws, policies and regulations for lands and resources.<sup>27</sup> This protocol is the first of its kind in Canada and is the primary mechanism for upholding UNDRIP in the NWT's land and resource management policies.<sup>28</sup> However, these mechanisms are not currently applied to clean energy policy in the NWT despite their potential to advance Indigenous-owned renewable energy projects, as well as conversations on climate and Indigenous rights. This situation is due in part to the lack of GNWT bodies specifically tasked to champion the integration of UNDRIP with the government's energy transition actions and policies.

---

<sup>26</sup> Memorandum Of Understanding for the Northwest Territories Council of Leaders (2021). [https://www.eia.gov.nt.ca/sites/eia/files/2021-06-25\\_nwtcol\\_memorandum\\_of\\_understanding\\_-\\_signed\\_-\\_june\\_11\\_srfn.pdf](https://www.eia.gov.nt.ca/sites/eia/files/2021-06-25_nwtcol_memorandum_of_understanding_-_signed_-_june_11_srfn.pdf)

<sup>27</sup> Northwest Territories Intergovernmental Council on Land and Resource Management, *Legislative Development Protocol*. [https://www.eia.gov.nt.ca/sites/eia/files/legislative\\_development\\_protocol-final.pdf](https://www.eia.gov.nt.ca/sites/eia/files/legislative_development_protocol-final.pdf)

<sup>28</sup> Government of Northwest Territories, "Caroline Cochrane: Intergovernmental Council Legislative Development Protocol," *Ministers' Statements and Speeches*, March 12, 2021. <https://www.gov.nt.ca/en/newsroom/caroline-cochrane-intergovernmental-council-legislative-development-protocol>

## 5. Recommendations

The following recommendations are aimed at the GNWT and the PUB.

Indigenous peoples and governments must be meaningfully included in the implementation of these recommendations to ensure that proposed solutions will be effective in the NWT's remote communities. This includes forming working groups with Indigenous governments to plan and develop changes, providing the necessary resources for equitable inclusion, and ultimately ensuring that Indigenous governments hold decision-making authority.

### 5.1 Government actions

#### Establish government-to-government processes for clean energy policy

At the core of enabling Indigenous-owned renewable energy projects is to ensure that Indigenous groups are included in the decision-making process for climate and energy plans, policies and decisions. The GNWT can be a leader in this by undertaking the following:

- Establish clear processes for co-development, building upon existing relationships, processes and policies, such as the NWT Council of Leaders and the legislative development protocol. This action is also aligned with the commitments made in the GNWT's mandate to strengthen government-to-government relationships.<sup>29</sup>
- Increase the capacity of the Department of Infrastructure and Department of Executive and Indigenous Affairs for government-to-government collaboration on climate and energy actions.
- Increase cooperation between the Department of Executive and Indigenous Affairs and the Energy Division if necessary to align processes in the government.
- Provide capacity support for Indigenous governments to be fully involved.

Collaborative partnerships with Indigenous governments, rooted in trust, support UNDRIP implementation and are essential to recognizing and affirming Indigenous rights.

---

<sup>29</sup> *Mandate of the Government of the Northwest Territories 2023 to -2027.*

[https://www.eia.gov.nt.ca/sites/eia/files/mandate\\_of\\_the\\_government\\_of\\_northwest\\_territories\\_eng.pdf](https://www.eia.gov.nt.ca/sites/eia/files/mandate_of_the_government_of_northwest_territories_eng.pdf)



## Provide specific direction to the PUB on climate change and reconciliation in decision-making

Although processes exist for the GNWT to consider climate change and reconciliation in decision-making, the same is not the case for the PUB.<sup>30</sup> There are several ways to address this:

- Update the regulator’s mandate in the PUA.
- Create a guidance document.
- Issue a ministerial directive.

The PUA should be updated to require the PUB to consider the government’s greenhouse gas objectives and UNDRIP in decision-making. The goal for this change is to enable the PUB to consider not only traditional, economic-centric factors in decision-making, but also factors that serves to meet the territory’s climate and reconciliation objectives.

Without clear and specific direction on including climate and reconciliation in PUB decision-making, the regulator will continue to limit the utility’s ability to take actions that support the energy transition in remote communities.

## Update the PUA to align with UNDRIP and GNWT climate plans

As a result of the NWT’s legislation of UNDRIP, the GNWT will be creating an action plan for its adoption in existing laws, including the PUA.<sup>31</sup> The GNWT should prioritize reviewing the PUA for alignment with UNDRIP to ensure that Indigenous rights are fully accounted for in regulator and utility actions. Furthermore, although some jurisdictions such as B.C. and the Yukon have legislated GHG objectives through a separate clean energy act, it is recommended that the NWT explore inserting such objectives directly into the PUA to better ensure that they are both legislated and fully considered by regulators and utilities.

## Provide direction for IPP policy development

IPP policies can be developed by government or the utility, as is the case in the Yukon and Nunavut, respectively.<sup>32</sup>

---

<sup>30</sup> Government of the Northwest Territories, *Guide to Integrating Climate Change Considerations into Government of the Northwest Territories Decision-Making Instruments* (2020).

[https://www.gov.nt.ca/ecc/sites/ecc/files/resources/guide\\_integrating\\_climate\\_change\\_considerations\\_into\\_decision\\_making\\_instruments\\_-\\_nov\\_2020.pdf](https://www.gov.nt.ca/ecc/sites/ecc/files/resources/guide_integrating_climate_change_considerations_into_decision_making_instruments_-_nov_2020.pdf)

<sup>31</sup> Potential lessons can be drawn from B.C. given how the province’s Public Utilities Act must similarly be updated and aligned to UNDRIP.

<sup>32</sup> These reports are available along with the summary report *Decarbonizing Remote Indigenous Communities: Regulatory reform in B.C. and the territories* (Pembina Institute, 2025).

<https://www.pembina.org/pub/decarbonizing-remote-indigenous-communities>

To create an IPP policy in the NWT, interviewees stated that GNWT’s internal regulatory processes require the minister of Infrastructure to direct the PUB to create the policy. This direction should be given, even though this would extend the timeline for IPP policy development., Doing so would benefit the GNWT and Indigenous governments by providing sufficient time to ensure everyone is aligned on the nuances of the policy. Furthermore, the direction needs to specify that the IPP policy is to be co-developed with Indigenous governments and clean energy leaders.

The direction should also prioritize Indigenous ownership for IPP projects, as has been done in the Yukon and Nunavut. This type of equity ownership enables Indigenous participation in decision-making and knowledge sharing and is a critical component to ensure communities receive the full benefits of renewable energy development.<sup>33</sup> Interviewees emphasized that “having controlling interests [majority Indigenous ownership] is important for decision-making and sharing business and capacity knowledge.” Interviewees also stressed that having ownership stakes is the primary formal means by which Indigenous organizations are involved in the regulatory process.

### Direct the PUB to require long-term resource planning

Public engagement on the GNWT’s renewal of the 2030 Energy Strategy highlighted the critical role that utilities play in the energy transition.<sup>34</sup> However, without long-term resource planning, it is unlikely that the territory will be adequately equipped to meet the future needs of its energy system.

This is because a long-term resource plan sets out a utility’s plans over a 10- to 20-year period to deliver electricity to its customers. A critical tool in the clean energy transition, it prompts utilities to map out how much energy will be needed due to changes in projected demand and how to meet this demand by considering factors such as climate impacts and existing infrastructure lifespans, including what technologies to use for electricity generation.

Long-term resource planning, in particular the regulatory review process, is an opportunity for Indigenous communities and governments, among others, to review, discuss and comment on utility plans for climate targets, IPPs, electrification, and other actions to modernize the grid. This process reinforces the regulator’s role of ensuring transparency for utility actions through public tribunals. To ensure this, the GNWT should direct the PUB to require utilities to undertake long-term resource planning.

---

<sup>33</sup> Andrea Miller and John R. Parkins, “Contending With Equity Ownership In Indigenous Renewable Energy Projects in Alberta, Canada,” *Journal of Rural and Community Development* 18(2) (2023), 44–64.  
<https://journals.brandonu.ca/jrcd/article/view/2262>

<sup>34</sup> *Our Energy and Climate Future in a Changing World*.

## 5.2 Regulator actions

Given the relationship between the government and the regulator, some of the following recommendations would first need the GNWT to take action to enable the NWT PUB to carry out the recommendation. For example, the 2021 NWT PUB annual report states that “in light of a changing industry we are anticipating the opportunity to lead a thorough review of our regulatory policies and legislative framework in order to develop recommendations to anticipate and adapt to our future.” However, there are no specific dates and this review is pending specific direction from the GNWT.

### Develop an IPP policy

The few PPAs that exist in the NWT were each developed under unique circumstances except that all are signed with the NTPC. However, interviewees stated that utilities are hesitant to enter into new PPAs without an IPP policy to minimize associated risks.

An IPP policy would open up the renewable energy sector to private investment while providing greater economic certainty and the clarification of both responsibilities and costs between the utility and IPP. An IPP policy should be accompanied by clear processes, procedures and timelines for developing IPP projects.

### Increase Indigenous engagement in regulatory proceedings

Regulatory proceedings offer an opportunity for structured, mediated and transparent process between utilities and communities for community energy planning. The PUB does not engage with Indigenous peoples and organizations with the specific intention of increasing Indigenous engagement in the regulatory process. Rather, existing processes were designed to satisfy existing public engagement requirements and commitments.

To address this issue, equitable access to the regulatory process is needed and requires acknowledging capacity constraints and unrealistic timeframes for Indigenous organizations to participate. Equitable access reinforces robust decision-making. Ways to increase access include providing intervenor training for Indigenous peoples and organizations and dedicated funding for engagement. An example of this is the B.C. Utilities Commission’s Indigenous Intervener Capacity Fund, which provides Indigenous governments and organizations up to \$5,000 to engage in the regulatory process.<sup>35</sup>

---

<sup>35</sup> British Columbia Utilities Commission, *Indigenous Intervener Capacity Funding* (2024).  
<https://docs.bcuc.com/documents/FactSheets/IICF-Fact-Sheet.pdf>

## Evaluate updating least-cost economic analysis to a benefit-cost analysis framework (BCA)

As discussed in *Decarbonizing Remote Indigenous Communities: Regulatory reform in B.C. and the territories*, many different methodologies exist for assessing the overall benefits of a project. These include alternative methods for assigning costs to negative environmental, health and social impacts of non-renewable energy sources, resulting in a more fair and equal evaluation between renewables and diesel energy systems.

The PUB should explore using a different economic model for decision-making that considers non-economic factors. New metrics for evaluating impacts should be co-created with Indigenous governments and communities to ensure a holistic evaluation of all project impacts.

The GNWT could provide the PUB with specific direction to integrate climate change and reconciliation in its decision-making.



Photo: Green Sun Rising

**PEMBINA**  
Institute

[www.pembina.org](http://www.pembina.org)

[x.com/pembina](https://x.com/pembina)   [bsky.app/profile/pembina.org](https://bsky.app/profile/pembina.org)

[facebook.com/pembina.institute](https://facebook.com/pembina.institute)   [linkedin.com/company/pembina-institute/](https://linkedin.com/company/pembina-institute/)