

# REVIEW OF NWT ELECTRICITY REGULATION, RATES AND SUBSIDY PROGRAMS - BACKGROUNDER

## NWT ELECTRICITY REVIEW DISCUSSION PAPER FACTSHEET

- The Electricity Review Discussion Paper poses the overall question “What should the vision be for the future of electricity system in the NWT?”
- People generally agree that our electricity system needs to be reliable and that environmental impacts of electricity use should be minimized. From the perspective of cost, there has been a lot of discussion lately, and our Discussion Paper focuses on this area.
- The Discussion Paper goes on to raise six questions, most with the high cost of electricity in mind:
  - **Electricity sector structure** – can changes to the public/private structure of our electricity sector reduce costs?
  - **Cost of electricity generation** – the GNWT is undertaking a number of initiatives to reduce costs – with energy conservation and efficiency being the first response – what are other opportunities to reduce costs?
  - **Community ownership and operation of local generation and distribution** – Could community-owned and operated electricity companies reduce costs with the same degree of safety and reliability?
  - **Cost of regulation** – is the current system too onerous?
  - **Government role in regulation** – should the GNWT be able to issue policy direction to the Public Utilities Board?
  - **Simplified / levelized rate structure** – should the GNWT move towards a more simplified, levelized rate structure?
- Finally, in the context of these questions, we need to ensure that electricity is affordable, and that is where a review of our current Territorial Power Subsidy Program comes in – is it effective? The GNWT has heard that for residents that it may be, but for commercial businesses, it is not very accessible.

## **REVIEW OF NWT ELECTRICITY REGULATION, RATES AND SUBSIDY PROGRAMS BACKGROUND (CON'T)**

Community discussions will provide:

- Input on the type of electricity system that residents want. At a high level, the GNWT wants to take the answers to the questions raised in the discussion paper and ensure our electricity system reflects the values of NWT residents and communities.
- Specifically, the GNWT is looking to generate a public discussion around each of the areas raised in the Paper. NWT residents and communities can often come up with new ideas or unique solutions to some of the energy challenges facing the NWT.
- Community discussions are scheduled for Inuvik (Mar 4), Norman Wells (Apr 1), Fort Simpson (Apr 8), Hay River (Apr 21), Fort Smith (Apr 22) and Yellowknife (Apr 23).
- The GNWT is also working with the NWTAC to hold a workshop in Yellowknife on March 31 for our smaller non-tax-based communities.
- The results of these discussions will be released in a "Report on Community Discussions" in May. This report will identify the key themes we heard from communities.
- These key themes will then be reflected in a Final Report to be released by the end of June. This report will propose the direction we should take with respect to our electricity system.
- Once the direction is established, a detailed Implementation Plan will be developed and proposed for review the fall of 2009.