

Qulliq Energy Corporation

New structures – New energy





NTPC to 2001

- Eastern Arctic managed through 3 regions
- Regional Superintendents in each region
- Regional finance in Iqaluit
- HQ in Hay River
- Accounting, regulatory, management, engineering out of Hay River



Getting Ready for Division

2000-2001

- IKUMA I report suggests division
- Baker Lake Headquarters is set up
- Iqaluit Executive office is put in place
- Locations assigned for functions in Nunavut
- Board of Directors initiated

April 1, 2001

Nunavut Power Corporation



- Assets and employees split
- Mirrored corporation
- Regulation by Joint NWT-Nunavut PUB



April 1, 2003 to present

Qulliq Energy Corporation

- QEC created as “Nunavut Crown” corporation
- Act sets out “energy” mandate
- Potential for subsidiaries and other functions
- Creation of URRC to regulate



Corporate Objects s.5(1) QEC Act

5. (1) The objects of the Corporation are:

- (a) **to generate, transform, and transmit, energy**
- (b) **to plan and provide for Nunavut's long term needs for affordable energy**
- (c) **to purchase, store, process, and distribute, fuels;**
- (d) **to undertake programs to maximize efficiency of fuel and other energy**
- (e) **subject to the Utility Rates Review Council Act, to set rates and tariffs, and**
- (f) **to undertake any other activity ordered by the Commissioner in Executive Council.**



Today:

- 154 Employees
- HQ in Baker Lake (29 people)
- Executive Office in Iqaluit (7 people)
- Nunavut Energy Centre (5 positions)
- Engineering Dept in Iqaluit (6 people)
- Regional Offices in 3 communities
- Plants in 25 communities

Energy Issues in Nunavut - 2006

- **Supply issues** – cost, volatility and impact of fuels / energy sources
- **Effective delivery issues** – structure, trades, financial capacity to deliver in Nunavut
- **Capital and infrastructure issues** – investment and return, technologies and risk
- **Economic viability issues** – energy as driver and as brakes on economic activity - subsidies
- **Conservation Issues** – personal choices, access to conservation tools, skills and information

Supply issues

Nunavut is unique in using Government as the single purchasing and marshalling entity for the jurisdiction's fuel supply

- Cost of fuel and cost of procuring fuel rise – impact government as procurer and as consumer
- Volatility / stability of fuel prices
- Options for other energy sources – timelines and costs of development

Effective delivery issues

Given the size of our energy “market” what capacity do we have to support:

- Corporate structures
- Training and retaining trades
- Financial skills, billing systems in Nunavut

What other options are there which permit Nunavut to maximize public benefit from this essential sector?

Capital and infrastructure issues

Need for investment

- Investment and return issues - stability
- Structures for investment
- Limits on borrowing
 - Equity ratios
 - GN debt cap
 - Market constraints
- Technologies and risk

Economic viability issues

Energy as driver and as brakes on economic activity

- Subsidies, tracking and making sense of subsidies
- Community rates and variations
- Cost and value

Conservation Issues

Access to conservation tools

- Changing Federal approaches
- skills and information
- Nunavut Energy Centre
- personal choices /consumer choices

Nunavut's Energy Future

Energy Consumption - Communities
Moderated growth

Energy Consumption – Mining and Exploration
Significant Growth

Investment Needs and Opportunities – significant growth
Price stability initiatives
Significant investment for re-capture

Resource Exploration
Advancing timetables on oil & gas development