



*Alternatives North*

2 July, 2020

Jackie Jacobson  
Chair  
Standing Committee on Economic Development and Environment  
Legislative Assembly of the Northwest Territories  
Yellowknife

Via E-mail

Dear Mr. Jacobson;

Thank you for the opportunity to present our report on cost-effective and immediate actions that GNWT could take to quickly reduce Greenhouse Gas emissions faster than, to a greater extent, and at greatly reduced cost than the current GNWT climate strategy proposes. In recent weeks we met with the Ministers of ENR, ITI and INF, and again no evidence was presented to refute or contradict the findings detailed in our report. In fact, the Ministers suggested that we meet with the NT Power Corporation as well as DeBeers. In a subsequent meeting with DeBeers they expressed considerable interest in a Renewable Diesel pilot project.

We appreciated the questions raised by Members during our meeting with you, and we wanted to research and follow up with additional details to add to the impromptu answers we provided during the meeting.

Concern: *Spending GNWT funds to purchase carbon offsets elsewhere could be politically challenging because it removes money from the NWT.*

Climate change requires global action, yet in the north it is difficult and extremely expensive to achieve substantive results quickly. We believe purchasing offsets, which enable less costly reductions elsewhere, are politically promising because it allows the government to demonstrate its commitment to addressing climate change by enabling emission reductions immediately, rather than waiting for long-term solutions to deliver local emission reductions. The current plan relies on large infrastructure projects that will take ten years to implement if they can obtain funding. Purchase of carbon offsets allows the government to provide a clear answer to the question "What is the government doing until it can reduce its own emissions?".

Concern: *Where would we find the funds to purchase carbon offsets and subsidize diesel costs?*

**Alternatives North, c/o P.O. Box 444, Yellowknife, NT X1A 2N3**

The relatively modest costs and the effectiveness of the actions proposed in our report enable a greater likelihood that they can be fully funded. In the first instance, incoming Carbon Tax revenue can be directed towards these actions. Secondly, the possibility of federal support, especially given the considerably reduced request and greater reduction in carbon emissions compared to the Taltson expansion, seems quite likely. In particular, conducting a pilot project followed by broad implementation of Renewable Diesel in partnership with the Government of Canada could lead the way for northern jurisdictions across the country and support the growth of a new Canadian industry.

Concern: *What about lost opportunities for First Nation economic development of Taltson expansion projects?*

We see community District Heating as a more realistic opportunity. Our assessment indicates that in addition to faster implementation, it would be profitable, lower the cost of living, and provide these benefits across the North, rather than concentrating benefit in one region.

Economic development in the Taltson region can also be achieved by utilizing the energy currently being wasted, without large capital expansions of infrastructure.

Concern: *The Taltson expansion and underwater power cable will achieve all of the carbon reductions and bring cheaper power to communities.*

The GNWT Energy Action Plan 2019 states that Taltson power would only reduce industrial emissions by 224kt, 37% of our stated goal of 600kt. This assumes that there are mines to supply this power to and it also assumes that the mines will buy this power. By utilizing co-generation the mines are very efficient at extracting energy from diesel. In order to incentivize mining the cost of power would need to be cheaper than their current cost. What we found was that the annual maintenance cost (paid by NTPC) of the new infrastructure to power the mines would be more expensive than the estimated revenue from power sales. So even if the capital cost were entirely paid for outside the GNWT, this proposal would still require annual subsidy and therefore cannot be expected to lower the cost of power in communities.

A more direct way of reducing costs in communities is to utilize co-generation, like the mines, and extract heat from the diesel already purchased to generate electricity.

Concern: *It is unlikely that people will burn vegetable oil in their furnaces, diesel vehicles, or machinery.*

Renewable Diesel is made from vegetable oil and animal fat, but after refining it is chemically identical to diesel. Just as fossil diesel is made from crude oil, the refining process determines the properties of the product. No one would put raw crude oil in their vehicle or furnace either. We recognize that there will be barriers to people trying new technology, and this is why we propose the GNWT take a leadership role by being either the first to trial Renewable Diesel, or funding those who are willing.

Thanks again,

A handwritten signature in black ink, appearing to read "Andrew Palm". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Andrew (and Lachlan) for Alternatives North.