



## *Alternatives North*

October 29, 2020

Honourable Diane Archie  
Minister of Infrastructure  
Government of the NWT

by e-mail

**RE: Update on the 2030 Energy Strategy**

Minister Archie:

Thank you for your update of October 19, 2020 on achievement of GNWT's Energy Strategy objectives. It is great to learn of progress.

The update includes the dollars spent on various initiatives to reduce greenhouse gas emissions. However, it does not include the actual or anticipated reductions in emissions or how much progress has been made in meeting the six strategic objectives. We look forward to seeing these key numbers in the upcoming energy initiatives report. It is our impression that the GNWT is not on target. Time is running out.

As you may be aware, Alternatives North released a report in April 2020 that outlined how the NWT could reduce greenhouse gas emissions much faster and at a much lower cost than is currently outlined in the 2030 Energy Strategy. You can link to the [report](#) and a [one-page graphic summary](#) (also on our website: [www.alternativesnorth.ca](http://www.alternativesnorth.ca)).

Biomass district heating, co-generation, and biofuels such as renewable diesel, are proven, commercially available technologies. They can provide local employment and larger emissions' reductions before other Energy Strategy priorities, such as liquified natural gas (LNG), could ever be constructed. Potential savings are significant.

We have built on the report with subsequent research to further refine the recommendations into practical steps the GNWT can take to get back on track and even exceed its targets. The key is that the GNWT has to start taking direct action, and stop relying on its grant programs to incentivize other groups. Capital funding of renewable energy equipment (25% for Industry and even 75% for Governments) does not address the significant barriers of technical capacity and the variable price of fossil diesel. Every time the price of fossil diesel changes, the business case for alternatives like wood pellets or renewable diesel changes too. That is why just about the only projects that are underway are those [accessing federal programs](#) with 100% subsidy, instead of the GNWT's programs.

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Our main suggestions are that the GNWT use the Low Carbon Economy Leadership Funds (LCELF) directly.

- Take the first step in constructing **biomass district heating**. This will require:
  - Completing Front-End Engineering Design (FEED) studies for district heating systems with the largest potential for emissions' reductions in NWT communities.
  - Releasing the results publicly so that potential partners can identify opportunities to join the project.
- Take the first step towards upgrading existing electricity generators to salvage waste heat (known as **co-generation**). This will also require:
  - Completing FEED studies for thermal power plants with the highest potential for emissions' reductions in NWT communities.
  - Releasing the results publicly so that potential partners can be found.
- Release the results of the GNWT research into promising **biofuels** for the northern context early in 2021. Immediately partner with industry to conduct a large-scale field trial of renewable diesel and any other promising biofuels.
- Incentivize renewable **transitions** with long-term biofuel and wood pellet subsidies. For example, guarantee that renewable diesel will cost 10% less than fossil diesel for the next 10 years. This is better than the current model of pure capital subsidies that leave owners with the risk of reduced payback with drops in fossil diesel costs (such as we're seeing now).
- Establish **GNWT renewable energy standards** for the GNWT's own operations. For example, set a target that the GNWT operate on 50% renewable energy for heat, transport and electricity, including leased buildings and equipment, by 2030. The GNWT is a major producer of greenhouse gases in Yellowknife and most other NWT communities. Guaranteeing a customer for renewable energy providers will give investors confidence.

Technology is moving fast. Public demand for action is moving faster. We would welcome the opportunity to discuss our ideas in more detail, and to participate in consultations on energy reductions. We want GNWT's spending to achieve the largest impact it can with strategic spending.

Minister, you can count on our support in the implementation of your Energy Strategy. We look forward to working with you and your officials.

Your sincerely,



Robert G. Bromley, for  
Alternatives North