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Inclusive Prosperity in Our Energy Future

Panel Remarks by

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Thank you for your kind introduction.

Good morning, ladies and gentlemen. Let me start by acknowledging that we're meeting on the unceded traditional territory of the Algonquin People. I also want to pass on regrets from the Hon. Sergio Marchi, CEA's President and CEO. He very much appreciated the invitation to address you this morning, and this was precisely the kind of collaboration that he and National Chief Perry Bellegarde had discussed pursuing.

However, Mr. Marchi had a previously confirmed speaking engagement at an international conference and so, he asked me to come and speak in his stead and in his words. I am very honored to be here this morning. Your conference theme, "Inclusive Prosperity in Our Energy Future", captures the national imperative for your communities and our industries to work together for mutual gain.

The conference is also taking place at a particularly opportune time. A confluence of three critical issues have come together, a renewed relationship with Canada's First Nations, a reaffirmation of our commitment to preserving the environment we all share, and the need to renew the infrastructure that will serve as the foundation of our shared economic future. In fact, these three trends - of Indigenous reconciliation, environmental responsibility, and infrastructure renewal - are fundamentally re-shaping our society, our economy and our future. In this context, let me touch on what I believe are three relevant and critical issues:

First, CEA members and Indigenous communities across the country enjoy a rich and long-standing relationship, and we stand ready to build on this.

This collaboration not only enhances our country's energy promise, but it also strengthens the fabric of local indigenous communities. This kind of cooperation is a top of mind issue for our CEO's. One that stems from genuine efforts to establish and nurture constructive meaningful relationships with First Nations, based on established rights, mutual respect, and trust. These relationships have led to an array of actions in important disciplines, including:

- cultural awareness programs;
- joint business ventures;
- supporting national days of reconciliation;
- scholarships;
- Aboriginal procurement;
- training and employment; and,
- capacity building.





As the Canadian government contemplates, among other things, enacting the recommendations of the Truth and Reconciliation Commission, and the Prime Minister's commitment to a Nation-to-Nation relationship with Canada's Aboriginal Peoples, we must also further strengthen the ties between Aboriginal communities and industry, including electricity companies. Because these ties speak to issues of economic and social prosperity, strengthening those relationships at the community, provincial, and regional levels will provide the foundation for future economic inclusivity, capacity building, and well-being of First Nations peoples.

I have been with CEA for some 30 years. I know first-hand that relationship-building with your communities, by companies like Manitoba Hydro, Ontario Power Generation, or Hydro Quebec, to name but three, are not built overnight. Nor is trust, which is that indispensable ingredient required for successful partnerships. It takes time, patience, understanding and perseverance, so that legacy issues can be addressed, and renewed trust and mutual respect can be re-established.

Here in Ontario, for example, Ontario Power Generation has built relationships with more than 50 First Nations and Metis communities over the last decade. A shining example is the Lower Mattagami hydroelectric project - the largest of its kind in Northern Ontario - which was developed in partnership with the Moose Cree First Nation. Lower Mattagami generates 450 megawatts of energy, powering and employing local First Nations. At peak of construction about 1,800 people were employed to work on the project including some 1,200 at the site. About 250 First Nation workers were employed at peak construction.

In BC, Brookfield Renewable partnered with the 'Namgis First Nation on the Kokish hydroelectric project, which is located on their traditional lands. They worked together to form Kwagis Power LP, a joint partnership that allowed both parties to be equally involved in all aspects of the project, from planning and permitting to construction and operations. Now that the facility is fully commissioned, a portion of the revenue generated by its operations is directed to a 'Namgis Community Benefit Fund. Approximately 250 people were employed during the two-year construction period (including 12 'Namgis members), with local sub-contractors hired to work on-site. Of the total capital cost of approximately \$200 million, about \$30 million was spent locally on heavy industry, food, and accommodations. This shift in mindset was a transformative initiative by Brookfield Renewable to engage local First Nations and drive inclusive prosperity in our collective energy future.



Looking back, our track record has not been perfect. And we have not always agreed. However, drawing from these examples, CEA's members operate on a simple premise: no activity affecting First Nations should proceed without timely and transparent consultation. We view this not only as a best practice, but as the only practice, if we wish to build on the synergies of what a true partnership can bring to all parties. We strive to continuously evolve how this concept is operationalized, which is why we welcome your ongoing and candid advice.

I agree with Phil Fontaine, former national chief of the AFN, when talking about economic development of indigenous lands, he said and I quote, "The old way of doing business is out the window." At CEA, we get that. Not because the courts require it. Not because commercial interests compel it. But because it is the right approach and the right thing to do.

Secondly, I believe that CEA needs to strengthen its engagement with the national organizations that serve First Nations.

As I said, we at CEA value the many local, provincial and regional ties that our members have with numerous indigenous communities across our country. But we also recognize that we need to go beyond this. To complement them with ties at the national level. It was for this precise reason that last year, CEA staff, in collaboration with our members' Aboriginal Relations Task Group, undertook the initiative to build consensus around a set of National Principles for the Engagement of Aboriginal Peoples. Subsequently, CEA's Board of Directors approved the principles, which include:

- Respecting Aboriginal Culture, Traditional Values, and Rights;
- Nurturing Constructive Relationships;
- Enhancing Communications;
- Fostering Aboriginal Capacity Building;
- Promoting Economic Prosperity; and
- Facilitating Crown Consultation.

As we work at building our relationships with national organizations such as the AFN, I believe these principles provide us with a useful and valuable toolbox. We would welcome your thoughts on these principles, and any further ideas you might have.

CEA is also directly involved with the Conference Board of Canada's Council on Corporate Aboriginal Relations, in an effort to build connections between Aboriginal groups and businesses across Canada. Moreover, talking about business, CEA is working with the Canadian Council for Aboriginal Business (CCAB), on how to promote





and expand their excellent Progressive Aboriginal Relations (PAR) Program among our members. In fact, we recently appointed the Council's CEO, JP Gladu, to CEA's Public Advisory Panel on Sustainability. We are thrilled with this, because we know that JP will provide sound leadership, as well as valuable insights and advice, when it comes to indigenous concerns and needs.

I am proud to say that our Panel also boasts another indigenous Canadian as a member, Chief Tammy Cook- Searson from the Lac La Ronge Indian Band in Saskatchewan. As I said, we are confident that this new outreach at the national level will effectively complement our many local programs with indigenous communities. But beyond this, we believe these relationships will deepen our commitments to your communities, and make those efforts all the more successful.

Finally, CEA believes inclusive and real economic prosperity lies at the heart of improving lives and communities across Canada.

We cannot talk about our energy future without recognizing that the Paris Climate Agreement represents a watershed moment. As you well know, our governments are now moving from the "poetry" of the Paris Agreement, to the "prose" of implementing the Pan-Canadian Framework on Clean Growth and Climate Change, announced last December. As an industry, we are supporting this shift. In fact, CEA has long supported an economy-wide and continental price on carbon to maximize low-cost emission reductions while protecting the competitive position of Canadian companies.

Canada's electricity system also starts from a point of strength, as a clean energy partner for governments. Indeed, we are one of the cleanest electricity systems in the world, at over 80% GHG emissions free. Our sector has reduced emissions by nearly 30% since 2005, and will likely do a further 30% by 2030 as we retire existing traditional coal-fired plants. With respect, no other sector can claim such results. So, electricity stands ready to power Canada's low-carbon future. This represents generational and transformative change and this kind of change is exciting.

However, it's not just the environmental imperatives that are driving investments. Like in the US, Europe and Japan, our infrastructure is approaching an end of life cycle. And a Conference Board of Canada study estimated that from 2010 until 2030, our electricity sector will need to invest some \$350 billion to renew and modernize our systems. We have embraced this reality, and for the last several years, our members have been spending in the range of \$13 billion annually, on infrastructure renewal and modernization.





As you can appreciate, this is a hefty level of investment, and we will need to sustain this for a good number of years. But it is also a great opportunity for us to collaborate with indigenous communities in building Canada's clean energy infrastructure of the future. Again, we think this represents a generational and exciting prospect. In fact, ReNew Magazine publishes an annual list of Canada's top 100 infrastructure projects by value. Eight of the top 10 projects, including the top 3, are within the electricity sector, representing about \$67.5 billion worth of investment. Moreover, there are some 100 electricity infrastructure projects on Aboriginal lands, with an estimated capital expenditure of \$50B and another 200 projects are on the drawing boards, and they are valued at between \$120-\$140B.

On such potential legacy developments, why can't we align our CEO's with your Chiefs? Our electricity interests with Indigenous interests? Through a spirit of collaboration and mutual respect, we believe we can and should do just that. And in the process, usher in an era of nation-building which is in harmony with community-building. What's more, we need the wisdom, insights and expertise Indigenous peoples bring. No one knows your lands better, and no one has a closer relationship to those lands and what about remote and northern First Nations communities that still rely on expensive, imported diesel-fuel to meet their basic energy needs?

In our view, First Nations in these communities are as deserving of affordable, reliable, first-class power, as the rest of Canadians. These communities should not be paying over ten times more per kilowatt-hour than the average Canadian. Nor should they be exposed to the health risks of diesel. In short, First Nations and northern communities should no longer be expected to accept this "energy inequality". The status quo is stifling meaningful economic growth, and it limits new investment. It also hinders social progress. For we know that access to clean, safe and reliable electricity is a precursor for clean water, better education, improved health care, enhanced economic activity, increased employment and, ultimately, a better quality of life. In the development of our nation, we first electrified our cities, and then integrated our rural communities. Now is time to complete this aspect of nation building and electrify the North and, in doing so, provide those residents with a path to a cleaner, more prosperous future. It can be done.

Peter Kirby of the Taku River Tlingit First Nations in Atlin, BC, for one, has shown us the way. He transformed a community, wholly dependent on diesel, to one that is now powered by clean hydro-electricity. He and the community are now making plans to expand their resource, and export excess power to either BC or the Yukon. While on a tour of Northern Canada a few weeks ago, our CEO visited with Peter and walked away





both impressed and inspired at the possibilities. The benefits are clear and compelling and that is why the Pan-Canadian Framework on Clean Growth and Climate Change committed to moving on diesel dependency. It is now time to harness that political will, and move from a statement of intent to a meaningful action plan.

In Closing

As my time with you this morning comes to an end, I want to leave you with one final thought. Your communities have seen and lived through many hardships. Part of your history has known all too many heartaches. The Truth and Reconciliation Commission has shined some much-needed light on these dark chapters. And frankly, part of the collective pain, is that so many Canadians had so little appreciation and knowledge of the systemic affront that so many Indigenous Canadians were forced to live through.

As Senator Sinclair rightly reminds us, it is now time to reconcile and heal these wounds; wounds that run deep. That means we need to find ways to right the wrongs. As we do, we must also find the confidence in the fact, that when deep wounds find sincere solutions, the energy that is unleashed can transform mindsets and futures in a profound and powerful manner. Indeed, if we are to learn anything from this history, it is that the next chapter that we write together must be one defined by respect and hope, by progress and prosperity, and by partnership and inclusivity. Only then, can we be true to all of our children, to their futures, and to the future of Canada.

CEA wants to contribute to this next chapter. We realize that we are simply one entity in a much bigger story. But we want to continue to do our part. Thanks for your attention, and I look forward to the discussion and your feedback.

