

QULLIQ ENERGY CORPORATION

NEF Conference-June 11th, 2008

QEC Corporate Mandate

- Qulliq Energy is committed to supplying safe, reliable and efficient energy through responsive and respectful interaction with all stakeholders.
- GN Mandated in “*Pinasuaqtavut 2004-2009*” that QEC take the lead role in responding to the goal enunciated for this five year period to “*conserve and reduce the use of energy and find alternatives to diesel fuel for electrical generation*”.

Qulliq Energy Corporation Act:

Indicates that some objects of the Corporations are:

- A) *to generate, transform, transmit, deliver, sell and supply energy on a safe, economic, efficient and reliable basis;*
- B) *To plan and provide for Nunavut's long term needs for affordable energy, taking into consideration Nunavut's desire to enhance energy self reliance and to conserve energy and energy resources;(...)*
- C) *To undertake programs to maximize efficiency of fuel and other energy consumption and to provide advice and information to consumers to enable fuel and energy conservation; (...)*

Qulliq Energy Corporation

- QEC employs 155 employees across the territory
- 56% of our positions are filled with beneficiaries of the Nunavut Land Claim Agreement
- QEC's Annual Revenue in FY 06/07 was \$78,255,000.

QEC's Unique Challenges

- Nunavut spans 3 time zones
- Covers approximately 1,932,255 square kilometres, or 1/5th of Canada's land mass
- No roads linking communities
- No shared energy grid
- The most extreme weather conditions on the planet
- Each community generates it's own electricity via diesel generation
- Ever increasing global cost of diesel

Borrowing and the Debt Cap

- *The Government of Canada has set a debt cap for the GN at \$200 Million (since March 1999). The Yukon and NWT also have debt caps.*
- *GN Debt Cap made up of its own borrowings, municipal borrowings, and the borrowing of Crown Corporations like QEC.*
- *In order to operate in a “high fuel cost” world, and to move away from burning fossil fuels, QEC would like to see the removal of **energy infrastructure** from the terms of the Federal Debt Cap, which would then permit territorial agencies such as QEC to invest in long term infrastructure, in order to urgently address Nunavut’s fossil fuel dependency.*

Mapping Nunavut's Energy Future

- QEC 's proposed project for a Nunavut-wide Alternative Generation study
- It is an initial community by community survey energy generation and fuel displacement opportunities in the Territory, including wind, hydro-electric, run-of-river, residual heat and heat utilidor, alternative fuel and local sourcing.
- Project would use community-based “all in” fuel displacement and cost criteria.
- Would identify options to reduce Nunavut's dependency on imported fossil fuel
- **The purpose of the mapping study is to provide adequate information so that economically based decisions can be made, involving large investments, which would drive forward the economies of these communities**

Strategic Investments in Northern Economic Development

- Energy Infrastructure will be the backbone to any future Economic Development in Nunavut.
- Every sector of Nunavut's economy relies directly on the availability of electrical generation.
- As world fuel rates continue to increase, so does the cost to produce diesel-generated electricity.
- In the past, SINED has not contributed to Energy Infrastructure, even though it has such an underlying effect on Nunavut's future economic growth

Future Demand from SINED

- SINED's Targeted Investment Program (TIP) Theme 1
Building the Knowledge Base
 - QEC's Nunavut-wide Alternative Generation Study follows this theme, as the outputs of such a study would be increased scientific data and knowledge.
 - QEC's desktop study of Hydro-electric possibilities in the Kivalliq region also fits under this theme, as does;
 - QEC's Iqaluit Hydro-electric Feasibility Study, which will proceed in the next year once QEC's Board of Director's has approved a site.

Future Demand from SINED

- SINED's Targeted Investment Program (TIP) Theme 2
Enhancing the Economic Infrastructure Base
 - QEC's Residual heating systems, which allow for increased efficiency from diesel-fueled generators, should be considered as **technology enhancements**, and therefore investments tied to economic diversification.
 - Any viable move towards a more affordable energy supply will help attract investment in large-scale infrastructure

Future Demand from SINED

- SINED's Targeted Investment Program (TIP) Theme 4
Economic Diversification
 - *Any future development of energy infrastructure will meet TIP's Theme 4 objectives of:*
 - *Increasing local participation in economic opportunities*
 - *Increasing training relevant to existing opportunities, and;*
 - *Increasing capacity at the local level to support economic development.*

Any Questions?

