

GNWT contribution to NTPC to prevent power rate increase

YELLOWKNIFE (September 2, 2015) –The Government of the Northwest Territories will provide the Northwest Territories Power Corporation (NTPC) with up to \$29.7 million to prevent an increase to power rates for all NWT residents. The funding was required because of continued low water levels affecting the Snare and Bluefish hydro systems.

The GNWT recognizes the need to address the territory’s current and future energy needs in a more concrete manner, and with a number of projects already underway, the announcement of plans to explore an immediate solution to the North Slave’s reliance on diesel with a resiliency study and options for wind and solar farms furthers the GNWT’s commitment to reducing the cost of living for Northerners.

In a press conference at the Legislative Assembly, Premier Bob McLeod and Minister of Finance J. Michael Miltenberger announced the funding to cover the purchase cost of diesel fuel from July 2015 to July 2016. As a result of the low water expected this summer, NTPC is expecting lower hydro production, which will need to be supplemented with diesel generation, requiring approximately 29 million litres of fuel. This additional fuel is expected to cost \$29.7 million depending on fuel price changes over the next 13 months.

“Without this decision, NTPC would have had to apply for a two-year rate rider that would have increased costs for all NWT power customers,” said Premier McLeod. “Our government doesn’t believe it makes sense to pass these costs on to residents and has decided to cover them instead. At the same time, we continue to look for longer term solutions, including efforts to reduce energy consumption, as well as continuing to look at options for generating and distributing power that will help mitigate against future events like this.”

“Governments around the world are having to spend significant sums of money to deal with major challenges likely brought on by climate change,” said Minister Miltenberger. “Despite tight fiscal restraints, the GNWT isn’t going to allow residents to take on the burden of increased demand of diesel for power generation due to historically low water levels. While NWT residents won’t see increases in their utility bills, lower revenues combined with rising costs and demands for programs and services will mean the GNWT will have to make strategic choices about its future spending.”

The territorial government is addressing the need for an improved energy system with short and long-term projects (see backgrounder for more information) and is working towards stabilizing energy costs while working to reduce reliance on diesel power generation.

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