First Nations Major Project Coalition

**Conference Primer**

# The Values Driven Economy

## Indigenous values driving deals

FIRST NATIONS MAJOR PROJECTS COALITION

**March 2023**

*Prepared by*

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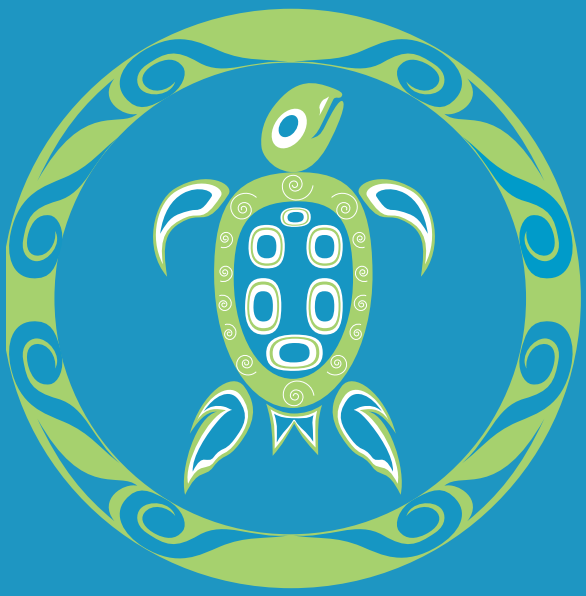

*Stronger Together.*

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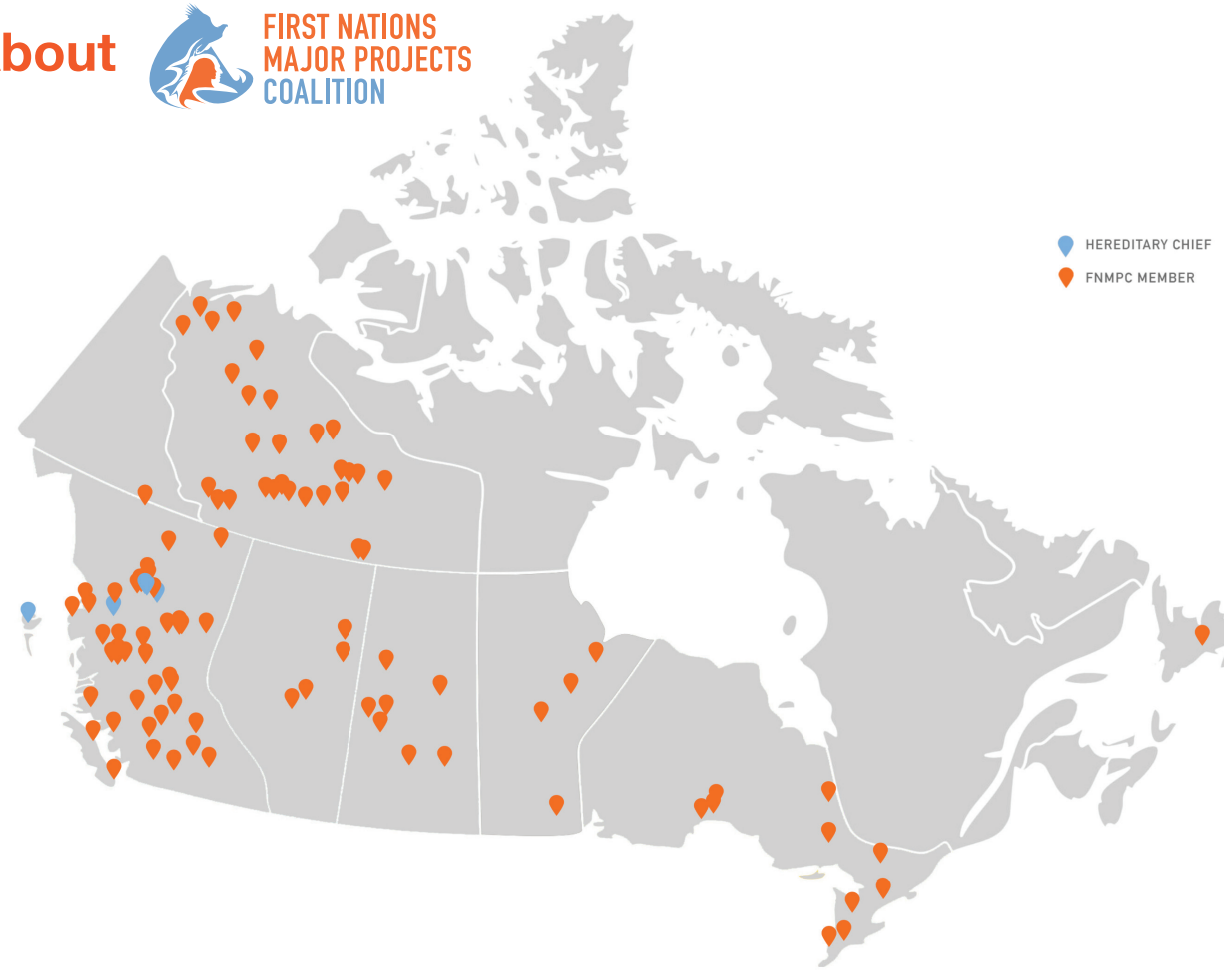


The First Nations Major Project Coalition (Canada) is a national 130+ Indigenous nation collective working towards the enhancement of the economic well-being of its members, understanding that a strong economy is reliant upon a healthy environment supported by vibrant cultures, languages, and expressions of traditional laws, and in particular to support members to:

- Safeguard air, land, water and medicine sources from the impacts of resource development by asserting its members' influence and traditional laws on environmental, regulatory and negotiation processes;
- Receive a fair share of benefits from projects undertaken in the traditional territories of its members, and;
- Explore ownership opportunities of projects proposed in the traditional territories of its members.

FNMPC is currently providing business capacity support to its members on nine major projects located across Canada, each with a First Nations equity investment component, and a portfolio exceeding a combined total capital cost of over CAD$20 billion. FNMPC's business capacity support includes tools that help First Nations inform their decisions on both the economic and environmental considerations associated with major project development.

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# Executive Summary

In Canada and the United States, Indigenous partnerships and values are increasingly driving business deals – particularly those related to meeting 2050 net zero targets.

Most of the proposed solutions for achieving net zero by 2050 rely on using Indigenous lands and resources to build clean energy infrastructure and extraction projects worth up to CAD$6 trillion.[1] These projects include new non-emitting electrical generation powerplants, expanded transmission lines, hydrogen fuel production, and new mines to provide the raw materials needed for electric vehicle battery production.

Given that all these projects will be built on or near Indigenous lands, Indigenous people on both sides of the shared Canada-United States border expect substantive participation in all the proposed clean energy infrastructure and critical mineral projects that Indigenous nations are expected to host.

For these climate critical projects to be successful, they must align with Indigenous values. To align with Indigenous values, Indigenous nations must be partners in the projects.

The companies that embrace partnership and deal creation with Indigenous nations are ahead of their competitors. This advantage is because Indigenous value-based partnerships bring project certainty, long-term, multiple-generation thinking about environmental and community impacts, and aligning societally inclusive approaches to economic wellbeing. Indigenous-industry partnerships may include equity ownership, positions on project boards and advisory committees, procurement partnerships, or all of these.

On April 24-25, 2023 in Vancouver at the *Values Drive Economy Conference*, the First Nations Major Project Coalition (FNMPC) will demonstrate how the inclusion of Indigenous nations throughout a company's value chain is a competitive advantage in getting major projects approved, funded, built, and operating profitably.

[1] Gignac, Julien, 22 May 2019. *Vuntut Gwitchin First Nation Officially Declares Climate Emergency.* Yukon News. www.yukon-news.com/news/vuntut-gwitchin-first-nation-officially-declares-climate-emergency.

The primer highlights the four sections corresponding to the *Values Driven Economy Conference* agenda.

The four conference themes plus highlighted Indigenous value-focused deals and policies are:

**DAY 1 MORNING**

A. **Diversifying Energy Sources with Hydrogen, SMRs, and LNG**

- » Western Australia Energy Hub
- » Darlington New Nuclear
- » Newfoundland LNG

**DAY 2 MORNING**

C. **Innovative Public Policy Supporting Indigenous Investment**

- » Inflation Reduction Act
- » Hydro One
- » Manito Aki Inakonigaawin

**DAY 1 AFTERNOON**

B. **Excellence in Indigenous-Industry Partnerships on Major Projects**

- » Athabasca Indigenous Investments
- » Kivalliq Hydro-Fibre Link
- » The Northern Road Link

**DAY 2 AFTERNOON**

D. **Securing Competitively Priced Capital**

- » Insights from Difficult-to-Finance Projects
- » Bonds Supporting Indigenous Economic Self-Determination
- » Government Policy to Support Indigenous Access to Capital

**See here for the most up-to-date conference agenda:**

www.fnmpcindustryevent.com/agenda-2023

# Introduction

The *Values Driven Economy Conference*, to be held in Vancouver, BC on April 24-25, 2023, is the 6th annual conference hosted by the First Nations Major Project Coalition (FNMPC). The Coalition is an Indigenous-led organization with 130+ First Nations members across Canada who are pursuing better environmental and economic outcomes for major projects proposed in their territories.

In many cases, FNMPC member nations are interested in acquiring equity in projects to share in the risk and reward of the endeavours provided that the projects are compatible with their Indigenous nation-specific values. Indigenous nations have for decades been at the forefront of rebuilding Indigenous values into resource management, reflected in today's modern treaties, Indigenous wins on hundreds of court judgements, the emergence of Indigenous Protected and Conserved Areas, and unilateral Indigenous action.[2]

Successful companies are following this lead by increasingly aligning their corporate goals with the values of their partners, suppliers, customers, and the Indigenous nations on whose land they operate. For many companies, this alignment of values is not just for the purposes of better environmental, social and governance (ESG) performance, but also driven from a deeper goal to meet the expectations of Indigenous nations and society more broadly.

The shift to Indigenous-industry partnerships and deal-making can largely be credited to:

1. **Indigenous Leadership:** For generations, Indigenous leaders in Canada and the United States have pressed the need for greater say in projects that impact our lands, air, and communities. This Indigenous dedication to the recognition and advancement of Indigenous rights – including advocacy and legal court decisions – has ensured that the current generation of leaders have the latitude to press for the inclusion of Indigenous values in economy critical energy and mineral projects.

2. **Environmental, Societal, and Governance (ESG)**: ESG-aware investors are now demanding – in many cases aligning – their interests towards a more wholistic approach to development that mirrors Indigenous values. Project proponents can no longer expect to garner investor interest in major projects without material Indigenous inclusion and consent.

3. **The United Nations Declaration on the Rights of Indigenous People (UNDRIP)**: Adoption of the Declaration, with its emphasis on the need for Indigenous free, prior and informed consent has focused the need to achieve Indigenous consent on developments on or near Indigenous lands.

The inclusion of Indigenous nations' values in proposed developments strengthens projects by improving outcomes that are not only important to First Nations, but increasingly to ESG-focused investors.[3]

Investors, consumers, government regulators, and the public, expect proponents to demonstrate their commitment to values that protect the environment, improve local social conditions, and are responsive to a greater societal benefit. The inclusion of Indigenous nations in all aspects of a major project is a step in the right direction for these commitments.

[2] Coates, K. and Gladu, J.P., 3 March 2023. *Slowly but surely, Indigenous Peoples are gaining control of traditional lands.* The Globe and Mail. www.theglobeandmail.com/opinion/article-slowly-but-surely-indigenous-peoples-are-gaining-control-of/

[3] Note: Legally, ESG factors that are misleading or inaccurately reported could be a basis for liability. Materiality is a measure of the relative financial importance of a factor among a company's ESG considerations. Source: www.thomsonreuters.com/en-us/posts/investigation-fraud-and-risk/financial-materiality-esg/#:~:text=Legally%2C%20ESG%20factors%20that%20are,among%20a%20company's%20ESG%20considerations.

6TH ANNUAL
FNMPC INDUSTRY
ENGAGEMENT
EVENT

# The Values Driven Economy Conference

*Defining our Sustainable Future*

The 2023 *Values Driven Economy Conference* is a direct outcome of the feedback received from the 2022 FNMPC Conference *Toward Net Zero by 2050*.[4]

At the *Toward Net Zero by 2050* conference, over 1,300 Indigenous, industry and government leaders met in-person to discuss how the drive toward net zero – specifically, the risk and opportunities that the transition to a net zero economy – can offer environmental and economic benefits to all citizens of in Canada and the United States.


[4] von der Porten, S., and Podlasly, M., September 2022. *"The Only Road to Net Zero Runs Through Indigenous Lands": Toward Net Zero by 2050 Conference Findings and Report.* April 25-26, 2022. First Nations Major Project Coalition. September 2022. www.fnmpcindustryevent.com/post-conference-report.

Given that nearly all the new mines, power generation, and electric transmission lines required to achieve net zero will come from or cross Indigenous lands,[5] without the consent of Indigenous people, opposition and delays to proposed projects will mean that Canada and the United States will not be able to electrify or produce critical minerals in time for 2050 deadlines.[6] The environmental and economic benefits of the net zero transition will not be led by the Canadian and American economies.

The post-2022 conference feedback from participants included requests for tangible examples of *how* to include Indigenous nations and their values so that proposed energy, mineral and infrastructure projects would be compatible with First Nations environmental, social and governance aspirations, provide proponents and investors with project certainty, and deliver benefits to all citizens, Indigenous and non-Indigenous alike.

The *Values Driven Economy Conference* will highlight examples of *how* leading projects are including Indigenous nations' values throughout a company's value chain as a competitive advantage in getting major projects approved, funded, built, and operating profitably.

*"When you think about the just transition, when you think about the strategy to net zero, it has to really understand the [Indigenous] community's needs, it has to really understand the cultural value too, and history of the people. As Indigenous people we have a connection to everything, and I think that's really beautiful."*

- Wahleah Johns, *Director of the U.S. Department of Energy, Office of Indian Energy Policy, and Programs*

## This Conference Primer and Program

This primer is intended as a brief for attendees on the topics, deals and policies that will be featured at the conference, as well as others that may not be featured at the 2023 event but that give context to the overall conference themes.[7]

[5] von der Porten, S., Podlasly, M., and Csicsai, P., April 2022, *Indigenous Leadership and Opportunities in the Net Zero Transition.* First Nations Major Project Coalition, secureservercdn.net/45.40.145.201/14x.5f4.myftpupload.com/wp-content/uploads/2022/04/FNMPC_Primer_04132022_final.pdf.

[6] "It is international scientific consensus that, in order to prevent the worst climate damages, global net human-caused emissions of carbon dioxide (CO2) need to fall by about 45 percent from 2010 levels by 2030, reaching net zero around 2050: Source: University of Oxford., 14 March 2023. *What is Net Zero?* Oxford Net Zero. netzeroclimate.org/what-is-net-zero/.

[7] Note that this primer document, published in advance of the conference, covers the intended topics, industries, and deals that will be the focus of the event. However, the content of the conference is subject to change.

# DAY 1 MORNING
## Diversifying Energy Sources with Hydrogen, SMRs, and LNG

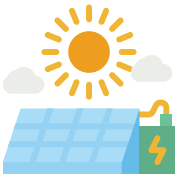
Global climate targets and changing geopolitical realities are forcing discussions about our collective energy sources and infrastructure. How – and which – energy sources we develop are critical to our sustainable energy future.

This first day morning discussion will focus on First Nations and industry opportunities with hydrogen, nuclear small modular reactors (SMRs) and liquified natural gas (LNG) in Canada and the United States.

## Highlighted Project: Western Australia Energy Hub

The Mirning First Nation of Australia have an equity interest in the Western Australia Energy Hub, a 62 GW green hydrogen production facility located on their lands. Mirning Green Energy Limited (a wholly owned subsidiary of the Mirning Traditional Lands Aboriginal Corporation, a company of the Mirning First Nation), InterContinental Energy, and CWP Global will build a AUD$100 billion "energy hub" that will include 3,000 wind turbines and 25,000,000 solar arrays on nearly 15,000 square kilometres to produce 3.5 million tonnes of green hydrogen per year for domestic and Asia export markets.[8, 9] The hydrogen will be converted into ammonia for transport to end users. The project is one of the largest of its kind in the world. The project is in the early stages of development and expected to produce hydrogen as early as 2030.[10]

**3,000**
Wind Turbines



**25 million**
Solar Panels

**3.5 million**
Tonnes per year of Green Hydrogen

### Hydrogen

Hydrogen, a fuel source whose combustion produces no greenhouse gases, is quickly gaining prominence within industry and countries trying to meet net zero targets. Hydrogen is an attractive clean energy solution in part because the element itself is lightweight, easily storable, energy-dense relative to other fuels,[11] and, when burned, produces only water vapour as a by-product.[12] Hydrogen ($H_2$) is often transported as ammonia ($NH_3$) because of a lower cost of energy storage, it holds more hydrogen by volume than either pipelines or liquid hydrogen, and there are existing standards regulating its production, transport and use.[13]

[8] International Energy Agency, June 2019. *The Future of Hydrogen Report prepared by the IEA for the G20, Japan Seizing today's opportunities.* www.iea.org/reports/the-future-of-hydrogen.
[9] Readfearn, G., 13 Jul 2021. *Plan to build world's biggest renewable energy hub in Western Australia.* The Guardian. www.theguardian.com/environment/2021/jul/13/plan-to-build-worlds-biggest-renewable-energy-hub-in-western-australia.
[10] Gunia, A., 16 July 2021. *Could the World's Largest Green Energy Hub Redefine How Companies Work With Indigenous People?* Time. time.com/6080182/australia-green-energy-aboriginal-people/.
[11] Graney, E., 6 November. *Kenney advances hydrogen-energy push.* The Globe and Mail. advance.lexis.com/api/document?collection=news&id=urn:contentItem:6416-PHN1-JCRP-C4CV-00000-00&context=1516831.
[12] National Renewable Energy Laboratory, December 2022. *Hydrogen Basics.* www.nrel.gov/research/eds-hydrogen.html.
[13] HFW Consulting, September 2022. *Is Ammonia the Future of Long-Distance Hydrogen Transport?* www.hfw.com/downloads/004272-HFW-Is-ammonia-the-future-of-long-distance-hydrogen-transport.pdf.

## The Hydrogen Rainbow[14]

Hydrogen can be created in different ways, each identified by a different category. These categories each have a colour associated with them as described in Table 1 below.

Table 1. The Categories of Hydrogen

| HYDROGEN CATEGORY | DESCRIPTION OF HOW IT IS PRODUCED |
|---|---|
| Green Hydrogen | Green hydrogen is produced through electrolysis powered by clean electricity sources – those that produce no greenhouse gas emissions – typically solar, hydropower, or wind.[15] |
| Blue Hydrogen | Blue hydrogen is produced from fossil fuels, often methane/natural gas, with greenhouse gas emissions captured and offset using carbon capture and storage technology.[16] |
| Turquoise Hydrogen | Turquoise hydrogen is produced through methane pyrolysis, in which natural gas is transformed into hydrogen and solid carbon (as opposed to carbon dioxide).[17] |
| Grey Hydrogen | Grey hydrogen is produced through steam methane reformation, in which natural gas is transformed into hydrogen, but without capturing the greenhouse gases made in the process. This is currently the most common form of hydrogen production. |
| Brown Hydrogen | Brown hydrogen is produced through heat processes that transform lignite (brown coal) into hydrogen, without capturing the greenhouse gases made in the process. |
| Yellow Hydrogen | Yellow hydrogen is produced solely through electrolysis powered by solar power (unlike green which could use a combination of renewable energy sources such as wind or solar).[18] |
| Pink Hydrogen | Pink hydrogen is produced through electrolysis powered by nuclear energy, which is emissions-free. Also sometimes referred to as purple or red hydrogen. |

[14] Unless otherwise specified, the hydrogen type descriptions are sourced from: National Grid, March 2023. *The Hydrogen Colour Spectrum.* www.nationalgrid.com/stories/energy-explained/hydrogen-colour-spectrum.

[15] International Energy Agency, June 2019. *The Future of Hydrogen Report prepared by the IEA for the G20, Japan Seizing today's opportunities.* www.iea.org/reports/the-future-of-hydrogen.

[16] International Energy Agency, June 2019. *The Future of Hydrogen Report prepared by the IEA for the G20, Japan Seizing today's opportunities.* www.iea.org/reports/the-future-of-hydrogen.

[17] Koch Blank, T, Molloy, P., Ramirez, K., Wall, A., & Weiss, T., 13 April 2022. *Clean Energy 101: The Colors of Hydrogen.* RMI. rmi.org/clean-energy-101-hydrogen/.

[18] Petrofac. *The difference between green hydrogen and blue hydrogen.* www.petrofac.com/media/ stories-and-opinion/thedifference-between-greenhydrogen-and-blue-hydrogen/.

## Hydrogen: an opportunity for Indigenous nations

For industry and Indigenous nations building new hydrogen projects, what that project looks like varies greatly based on what type or "colour" of hydrogen it is (Table 1 above on the Hydrogen Rainbow). For example, an Indigenous nation with existing biomass, oil or gas projects may add a new hydrogen production infrastructure such as a hydrogen production facility, a hydrogen power plant, or a hydrogen pipeline. For an Indigenous nation with existing clean energy generation, or potential for it, adding new hydrogen infrastructure may take the shape of adding a green hydrogen electrolyzer and hydrogen storage facility, or transmission lines to support clean energy generation for facilities.[19] A notable advantage of green hydrogen is that is can be produced whenever there is water and electricity.[20] A recently announced a wind-powered green hydrogen project with First Nations investments is EverWind in Nova Scotia - the first in North America to secure permits for a commercial-scale facility. First Nations development corporations with investments include the Membertou, Paqtnkek and Potlotek.[21]

## Hydrogen: a new market

According to the World Bank, the demand for hydrogen reached an estimated 87 million metric tons in 2020 and is expected to grow to 500–680 million megatonnes by 2050. By 2021, the hydrogen production market was already valued at US$130 billion and is estimated to grow up to 9.2% per year through 2030.[22] Canada's Hydrogen Strategy treats hydrogen as an opportunity to boost economic growth, reach climate neutrality and diversify the oil and gas sector. By 2050, the strategy places Canada among the three largest clean hydrogen producers globally as well as a large exporter.[23] Broadly speaking, the International Energy Agency estimates that renewables, like green hydrogen, are set to dominate the growth of the world's electricity supply in the next few years.[24]

While development and use of green hydrogen is expected to increase in the coming years, the limits of today's infrastructure will be reached very quickly. This is because there is not enough pipeline or transmission line infrastructure yet in place to ramp up green hydrogen.[25] Therein lies an opportunity for Indigenous nations interested in infrastructure in the hydrogen market.

[19] Osman, L., 16 August 2022. *Green Canadian hydrogen not an immediate solution to Germany's energy worries.* CBC News. www.cbc.ca/news/canada/newfoundland-labrador/green-canadian-hydrogen-germany-1.6552712.

[20] Cho, R., 7 January 2021. *Why We Need Green Hydrogen.* Columbia Climate School. news.climate.columbia.edu/2021/01/07/need-green-hydrogen/.

[21] French, D., 7 February 2023. *EverWind Fuels gets approval for North America's first green hydrogen facility.* Globe and Mail. www.theglobeandmail.com/business/industry-news/energy-and-resources/article-everwind-fuels-gets-approval-for-north-americas-first-green-hydrogen/.

[22] Kobina Kane, M. and Gil, S., 23 June 2022. *Green Hydrogen: A key investment for the energy transition.* World Bank. blogs.worldbank.org/ppps/green-hydrogen-key-investment-energy-transition.

[23] Natural Resources Canada, 23 August 2022. *The Hydrogen Strategy.* www.nrcan.gc.ca/climate-change-adapting-impacts-and-reducing-emissions/canadas-green-future/the-hydrogen-strategy/23080.

[24] International Energy Agency, 2023. *Electricity Market Report 2023.* iea.blob.core.windows.net/assets/255e9cba-da84-4681-8c1f-458ca1a3d9ca/ElectricityMarketReport2023.pdf.

[25] Cho, R., 7 January 2021. *Why We Need Green Hydrogen.* Columbia Climate School. news.climate.columbia.edu/2021/01/07/need-green-hydrogen/.

## Highlighted Project: Darlington New Nuclear

In our research for this primer, we have not identified any existing SMR projects, or projects in development, where a First Nation partner has been announced but exploratory discussions are taking place in various locations across Canada. However, a notable SMR announcement by Ontario Power Generation has potential for Indigenous partnership. Ontario Power Generation has partnered with GE Hitachi Nuclear Energy, SNC-Lavalin, and Aecon to construct Canada's[26] first grid-scale SMR to be located at the Darlington New Nuclear Project site.[27] The project is expected to begin providing 300 megawatts of carbon-free, baseload power to the Ontario grid beginning in 2028.[28] Ontario Power Generation expects the Darlington SMR to capture the benefits of being the first-mover in this area in Canada, and the project partners involved to have opportunities elsewhere in Canada and abroad as use of SMRs grows.[29] These projects and others present the potential for SMRs to align with the opportunity set new standards for First Nations participation in the nuclear sector.

As regulators, SMR developers and future owner-operators work to develop and deploy these new technologies, First Nations remain at the forefront of environmental stewardship and land protection. In the absence of clear alignment with First Nations values and significant opportunities for economic participation, the deployment of advanced reactors in Canada will be vulnerable to delay, regulatory hurdles, increased costs, and community opposition.

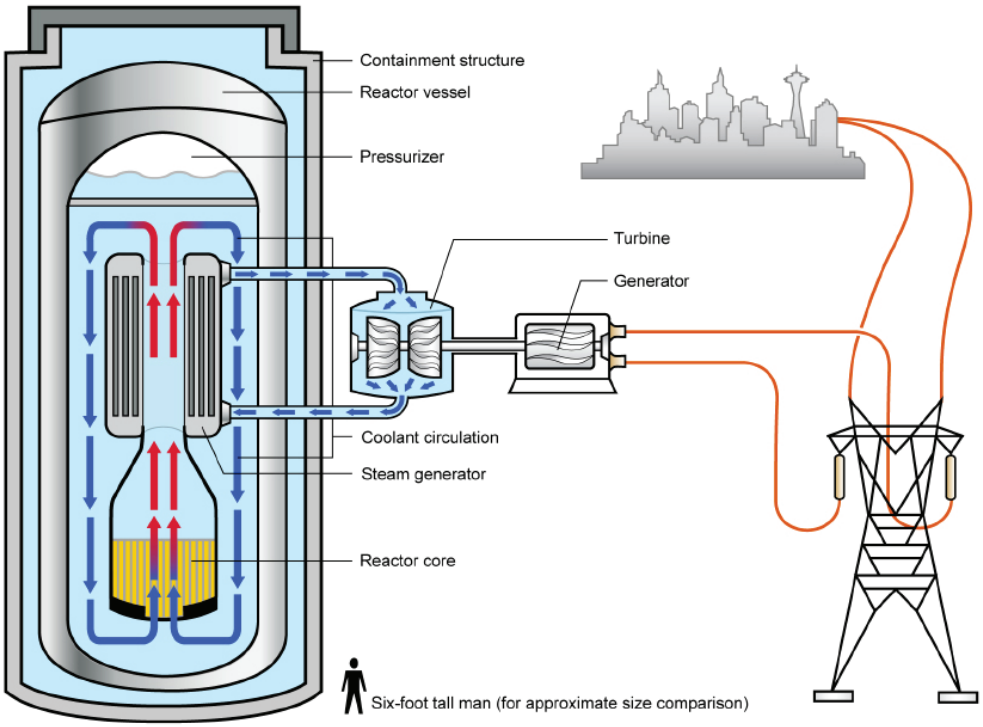



Figure 1. Light water small nuclear reactor.

Source: GAO, based on Department of Energy Document | GA)-15-652

[26] The Ultra Safe Nuclear Corporation SMR in the United States in at the licensing stage.

[27] Ontario Power Generation, 27 January 2023. *Team forms to build North America's first SMR.* www.opg.com/media_release/team-forms-to-build-north-americas-first-smr/.

[28] Ibid

[29] Ibid

**~300,00 homes**

could be powered by a 300 MWe SMR

**4 provinces**

signed an MOU to position Canada as a leader in the SMR field


**2,600 jobs**

could be created over a lifetime of an operational 300 MWe MR

Stats from https://www.opg.com/powering-ontario/our-generation/nuclear/darlington-nuclear/darlington-new-nuclear/

## SMRs (Nuclear)

Small modular reactors (SMRs) create power by removing heat created by the nuclear fission reaction to make steam which turns a turbine. The turbine produces the power or electricity.30 SMRs are smaller than traditional nuclear power plants in terms of both physical size and in power output (less than 300 megawatts of electricity, as compared to 800+ megawatts in traditional nuclear power plants31).32 "Modular" means that, unlike traditional nuclear power plants which are built on a site, SMRs are built in a factory, and are portable and scalable. "Reactors" refers to the nuclear fission reaction that occurs within these plants which is how they produce energy to make electricity. SMR uses can range from grid-scale units to provide reliable electricity, to smaller ones suitable for heavy industry and powering remote communities.33

## SMRs: an opportunity for Indigenous nations

The extent to which Canada will scale up nuclear generation to meet net zero targets is still being determined. Canada's first generation of SMRs are not expected to be operational until 2030.[34] In the US, the 2022 *Inflation Reduction Act* (IRA) creates a tax credit for the production of zero-emission nuclear power.[35] The IRA also provides significant support to accelerate the deployment of advanced reactors through cost-shared partnerships with the American industrial sector for demonstration reactors,[36] and through significant public investments in the development of highly enriched fuel sources.[37] In order to maintain Canada's position as a global leader in the development of nuclear technology, Canada will need to ensure a competitive position and the opportunity to partner with Indigenous nations offers a competitive advantage for building out new nuclear power generation.

[30] U.S. Office of Nuclear Energy, 28 May 2020. *4 Key Benefits of Advanced Small Modular Reactors.* www.energy.gov/ne/articles/4-keybenefits-advanced-small-modular-reactors.

[31] CBC News, 16 May 2021. *Three Indigenous-owned corporations show support for small modular reactors.* cbc.ca/news/canada/saskatchewan/memorandum-of-understanding-nuclear-power-saskatchewan-1.6028892.

[32] BBC News, 9 November 2021. *Rolls-Royce gets funding to develop mini nuclear reactors.* www.bbc.com/news/business-59212983.

[33] Canada's SMR Action Plan. About the Action Plan. smractionplan.ca/.

[34] Clean Energy Canada, December 2021. *Underneath it all: Ensuring Canada's electricity grid can power our net-zero and economic ambitions is no small undertaking—and a big opportunity.* cleanenergycanada.org/wp-content/uploads/2021/12/Clean-Electricity-Report-Layout-Web-1.pdf.

[35] International Energy Agency, 30 June 2022. *Nuclear power can play a major role in enabling secure transitions to low emissions energy systems.* https://www.iea.org/news/nuclear-power-can-play-a-major-role-in-enabling-secure-transitions-to-low-emissions-energy-systems.

[36] Office of Nuclear Energy, March 2023. *Advanced Reactor Demonstration Program.* www.energy.gov/ne/advanced-reactor-demonstration-program.

[37] Office of Nuclear Energy, 7 April 2022. *What is High-Assay Low-Enriched Uranium (HALEU)?* www.energy.gov/ne/articles/what-high-assay-low-enriched-uranium-haleu.

## Highlighted Project: Newfoundland LNG

In a move to move toward economic self-sufficiency, the Miawpukek First Nation signed an agreement to work toward increased equity participation in a project to earn revenue from liquefied natural gas (LNG) development in Newfoundland and Labrador.[38] The project currently being developed will include offshore gas extraction 340 kilometres southeast of St. John's, Newfoundland and Labrador, then connect to the south coast of Newfoundland by a 600 kilometre pipeline for refinement and shipping to Germany.[39] The project, which is partnership between the Miawpukek First Nation and LNG Newfoundland and Labrador, is expected to bring own-source revenue and jobs for the First Nation members.

### Liquified Natural Gas

Natural gas is a hydrocarbon that occurs naturally underground that is made up mostly of methane and ethane gas.[40] *Liquefied* natural gas (LNG), is natural gas that has been extracted, refined, and then converted to a liquid form by cooling to minus 160° Celsius. As a liquid, it becomes feasible and economical to transport it for distribution or export.[41] At its destination, LNG is then converted back to gas and used for household heating, power stations and industrial processes.[42]

### LNG Market: Going up or down?

The LNG market, like any commodity market, has a continuous push and pull that changes its demand and prices. Most notable of the current pushes and pulls for LNG are that, on the one hand, countries who are signatories to the 2015 *Paris Agreement* are under increasing pressure from the international community and their own constituents to move rapidly away from producing, using, or further entrenching fossil fuels like LNG as a source of energy. On the other hand, the war in Ukraine and Russia's stronghold on LNG supply has motivated some countries and industries with current LNG reliance and the LNG industry to push for an increase in supply.[43]

### First Nations in LNG

Some Indigenous nations in Canada and the United States are exploring, and in some case already invested in, LNG production or transport. The entry by First Nations into the LNG industry is new compared to Canada's last hundred years of oil and gas development. Over this century, First Nations in Canada have largely been excluded from the wealth generated from oil and gas upon which the country's prosperity was built. First Nations, such as the Haisla First Nation and the Miawpukek First Nation, are now taking their turn to profit from the revenues of the gas industry by working in partnership or in equity partnership with LNG companies. In doing so, they are creating revenues to bring opportunities to their nation members, to support social programs, and to build community infrastructure and programs.

[38] CBC News, 21 September 2021. *First Nations groups to participate in project to capitalize on liquefied natural gas.* www.cbc.ca/news/canada/newfoundland-labrador/first-nations-liquified-natural-gas-1.6184785

[39] LNG Newfoundland Labrador, 2022. *Project Background.* www.lng-nl.com/the-project.

[40] Britannica, March 2023. *Composition and properties of natural gas.* www.britannica.com/science/natural-gas/Composition-and-properties-of-natural-gas.

[41] Government of Canada, 6 August 2020. *Liquefied Natural Gas.* www.nrcan.gc.ca/energy/energy-sources-distribution/natural-gas/liquefied-natural-gas/5679.

[42] Shell Global, March 2023. *Natural gas and its advantages.* www.shell.com/energy-and-innovation/natural-gas/natural-gas-and-its-advantages.html.

[43] Michaelson, R., 11 November 2022. *Gas producers using Cop27 to rebrand gas as transitional fuel, experts warn.* The Guardian. www.theguardian.com/environment/2022/nov/11/gas-producers-using-cop27-to-rebrand-gas-as-transitional-fuel-experts-warn.

# DAY 1 AFTERNOON

## Excellence in Indigenous-Industry Partnerships on Major Projects

One of the foundations of the work of the FNMPC is on First Nations and companies initiating partnerships on major projects. How these partnerships are initiated and applied has been vital, and increasingly so, to providing capital markets, governments, and the public with assurance of project success.[44] Industry proponents are demonstrating an increasing interest in understanding what the best practices and insights can be gleaned from prominent and highly successful Indigenous-industry partnerships on major projects.

Industry and First Nations alike can benefit from understanding today's highest standards of Indigenous-industry partnerships. Indigenous and industry experts will share the approaches of how they formed their successful partnerships and resulting projects. This will be done exploring prominent and successful project partnerships between industry and Indigenous equity owners.

*"It has to be more that impact benefit agreements (IBAs), it has to be equity partners so that there's equitable opportunities for community."*

- Kluane Adamek, *Yukon Regional Chief, AFN*

[44] Coates, K. and Gladu, J.P., 3 March 2023. *Slowly but surely, Indigenous Peoples are gaining control of traditional lands.* The Globe and Mail. www.theglobeandmail.com/opinion/article-slowly-but-surely-indigenous-peoples-are-gaining-control-of/.

## Highlighted Project: Athabasca Indigenous Investments

Athabasca Indigenous Investments (Aii) is the name given to the business deal that is an Enbridge-Indigenous partnership on a network of pipelines. It is the largest energy-related Indigenous economic partnership transaction in North America and includes 23 First Nations and Métis communities who now collectively own a 11.57% interest in seven Enbridge pipelines worth CAD$1.12 billion.[45] The pipelines transport about 45% of Canada's bitumen sands production, under contract, to key export hubs in Edmonton and Hardisty, Alberta.[46]

Described as the "largest energy-related Indigenous economic partnership transaction in North America to date",[47] this Indigenous acquisition deal was supported by loan guarantees from the Alberta Indigenous Opportunities Corporation (AIOC) whose mandate is to "work with Indigenous communities across Alberta to invest in natural resources, agriculture, telecommunication, and transportation projects."[48] The AIOC supports Indigenous investments with loan guarantees backed by the Alberta Provincial Government.[49]


Source: https://www.enbridge.com/media-center/news/details?id=123735&lang=en

[45] Enbridge, 28 September 2022. *Equity pipeline partnership unveiled between Enbridge and 23 Indigenous communities.* www.enbridge.com/stories/2022/september/landmark-equity-pipeline-partnership-between-enbridge-and-23-indigenous-communities.

[46] Enbridge, 2022. *Investment in seven Enbridge-operated pipelines will benefit local Indigenous communities for years to come.* www.enbridge.com/-/media/Enb/Documents/Factsheets/FS_AII_Athabasca_Equity_Partnership_Sept2022.pdf?rev=c126fc28bcca415390674a41089a0af4&hash=840FD829AC650B8ECA903E67169F2C82.

[47] Ibid

[48] Alberta Indigenous Opportunities Corporation. www.theaioc.com/.

[49] Ibid.

## Highlighted Project: Kivalliq Hydro-Fibre Link

The Kivalliq Hydro-Fibre Link is a 230 kV, 1,200km transmission system, which will deliver both electricity and broadband internet from Manitoba to the Kivalliq region of Nunavut – making it Nunavut's first major infrastructure link from the south. The project is Inuit-owned by the Kivalliq Inuit Association and Sakku Investments, and Inuit-led by the Nukik Corporation which oversees the development and operations of large infrastructure projects in the Kivalliq region of Nunavut.[50]

This project will allow five Inuit communities – Arviat, Baker Lake, Chesterfield Inlet, Rankin Inlet, and Whale Cove – and two gold mine sites to transition off diesel power generation. In addition to improving local air quality, the project is projected to reduce greenhouse gas emissions by 371,000 metric tonnes per year and to displace 138 million litres of fuel per year. These greenhouse gas reductions, as well as reducing the shipping of heavy fuels to the region, will help to put Nunavut on track to meet its 2030 greenhouse gas emissions reduction target.

This Kivalliq Hydro-Fibre Link project is expected to provide the region's mining sector with a reliable and affordable source of electricity,[51] including the Meliadine and Meadowbank gold mines in the Kivalliq region.[52] This project has been supported by the Canada Infrastructure Bank and is expected to commence construction in 2026.[53]

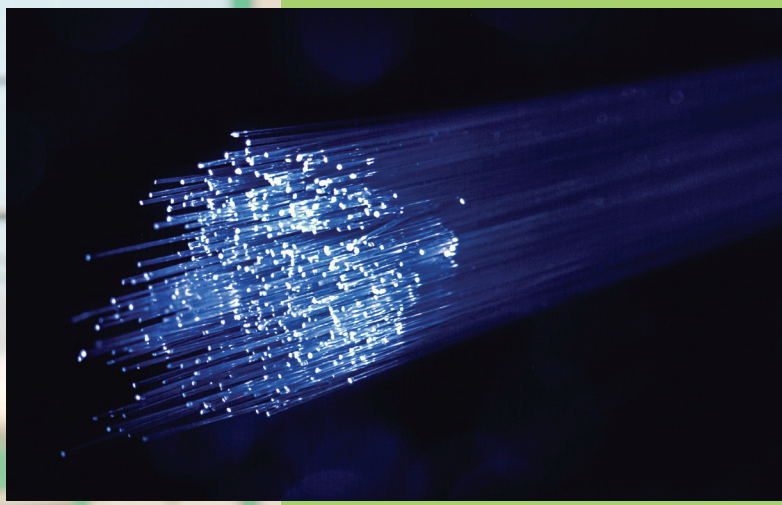
[50] Nukik Corporation, March 2023. *Kivalliq Hydro-Fibre Link.* www.nukik.ca/kivalliq-hydro-fibre-link/.

[51] Anbaric, March 2023. *Kivalliq Hydro-Fibre Link.* anbaric.com/kivalliq-hydro-fibre-link./

[52] Nunatsiaq News, 8 November 2022. *Feds announce $7 million for project bringing broadband, clean energy to Kivalliq.* nunatsiaq.com/stories/article/feds-announce-7-million-for-project-bringing-broadband-clean-energy-to-kivalliq/.

[53] Nukik Corporation, March 2023. *Kivalliq Hydro-Fibre Link.* www.nukik.ca/kivalliq-hydro-fibre-link/.


Source: https://www.nukik.ca/kivalliq-hydro-fibre-link/

## Highlighted Project: The Northern Road Link

The proposed The Northern Road Link is a project that would link two other proposed roads: the 200 kilometre Marten Falls Community Access Road, and the 107 kilometre Webequie Supply Road. The Webequie leg of the project illustrates a new deal that is an interesting example for First Nations. The infrastructure project would be an all-season road that would run from Webequie First Nation's airport out to mineral exploration activities and a proposed mining development.[54] The proposed Eagle's Nest Nickel Mine is a battery mineral supply project (primarily nickel) for which the Webequie First Nation and Ring of Fire Metals have signed an MOU including agreement on partnership negotiations.[55] As a First Nations-led project, the intent to incorporate Indigenous values is explicit:[56]

> *"Throughout the planning and engagement process, the Webequie Project Team will ensure that all project activities will be done according to the Elders' guiding principles and the Webequie First Nation three-tier approach to Indigenous community engagement."*

The Webequie project is currently undergoing both federal and provincial (Ontario) environmental assessments.[57] Notably, the proposed road would be wide enough to accommodate a future broadband fibre optic line and low voltage power distribution lines, if a connection were established to the provincial highway and electricity grid system.[58]

[54] Webequie Supply Road, March 2023. *A planned 107 km all-season road running from Webequie First Nation's airport to mineral exploration activities and the proposed mining development.* www.supplyroad.ca/.

[55] Mining, 6 December 2022. *Ring of Fire Metals and Webequie First Nation sign MOU on Ontario nickel project development.* www.mining.com/ring-of-fire-metals-and-webequie-first-nation-sign-mou-on-ontario-nickel-project-development/.

[56] Webequie Supply Road, March 2023. *Frequently Asked Questions.* www.supplyroad.ca/faqs/.

[57] Webequie Supply Road, March 2023. *Webequie Supply Road Project Community Newsletter.* www.supplyroad.ca/wp-content/uploads/2022/10/Web-WSR-Newsletter-Issue-15-English-2022-10-14-website.pdf.

[58] Webequie Supply Road, March 2023. *Frequently Asked Questions.* www.supplyroad.ca/faqs/.

**107 KM**
Total Road Length

Community members report the winter road season has shortened.

**527 KM**
Distance

The distance Webequie is located from Thunder Bay by air.

**22**
Communities

The environmental assessment will involve consultation with 22 Indigenous communities.

*"This road is an economic lifeline for our communities and it will bring jobs, training and prosperity where our youth currently have no opportunities."*

- Chief Bruce Achneepineskum of *Marten Falls First Nation*

# DAY 2 MORNING

## Innovative Public Policy Supporting Indigenous Investment

Governments have a vital role in major project success through lessening regulatory burden and encouraging the incorporation of Indigenous values that benefits all of society. This section gives a snapshot of some of leading public policy supporting Indigenous nations ownership or participation in major projects in the United States and Canada, including internal policies of Indigenous nations/governments.

## Highlighted Policy: Inflation Reduction Act

The *Inflation Reduction Act* (IRA) has set a precedent as the largest investment in climate and energy in United States' history. This policy innovation has piqued the interest of countries around the world and Indigenous nations as it is directly designed to accelerate Indigenous equity in major energy projects.[59]

Though it was only signed into law in August 2022, the IRA has provisions that provide access for Indigenous nations pursuing project deals access to billions of dollars through competitive grants, loans, loan guarantees and contracts. Most notable is perhaps the provision for clean energy financing. The IRA has increased the loan authority for the Department of Energy Loan Program Office and includes US$75 million for the Tribal Energy Loan Guarantee Program and increases loan guarantee authority cap from US$2 billion to $20 billion.[60] Clean energy projects eligible for financing under the IRA include examples such as electricity generation, transmission, and energy storage facilities. These opportunities will strengthen Indigenous participation in the development of low-/no-greenhouse gas emissions energy infrastructure needed to accelerate the transition to net zero.

Additional IRA provisions relevant to Indigenous nations in the United States (all in US$):[61]

- **Environmental and Climate Justice Block Grants:** $2.8 billion to the EPA for grants and $200 million for technical assistance. US Tribes are eligible for these grants in partnership with community-based, non-government organizations.
- **Neighborhood Access and Equity Grants:** $3 billion, with $1.1 billion set aside for disadvantaged communities, to the Federal Housing Admin to improve transportation access and mitigate negative safety/environmental impacts in underserved communities for which US Tribes are eligible.
- **Clean Heavy-Duty Vehicles:** $1 billion for grants/rebates to cover costs of clean heavy-duty vehicles, as well as maintenance for which US Tribes are eligible.

[59] Bipartisan Policy Center, 4 August 2022. *Inflation Reduction Act (IRA) Summary: Energy and Climate Provisions.* bipartisanpolicy.org/blog/inflation-reduction-act-summary-energy-climate-provisions/.

[60] Tribal Energy Loan Guarantee Program, Mach 2023. *Funding.* https://energycommunities.gov/funding-opportunities/assets.ctfassets.net/v4qx5q5o44nj/1MpXEzTMP9rPpAsuuC84LR/c5c1e2f31a067f2edbf68933bb4b0201/IRA_Benefits_to_Tribal_and_Indigenous_Communities.pdf.

[61] Ibid.

» **Energy Credit:** 40% investment tax credit for solar/wind projects in a low-income community or on Tribal lands.

» **United States Department of Agriculture (USDA) Assistance for Rural Electric Cooperatives:** $9.7 billion to USDA for financial assistance to improve rural electric systems; plus $2 billion to USDA to provide financial assistance for adoption of clean energy technologies in rural communities.

The IRA also offers Tribal Nations in the United States access to tax incentives, including tax deductions for increasing energy efficiency in buildings and tax credits to produce renewable energy, for example:

» **Carbon Oxide Sequestration:** Financing for facilities that capture carbon, up to $180 per metric tonne of carbon captured.

» **Clean Energy Production Credit:** Tax credit for the production and sale of energy from facilities that produce no greenhouse gases - 1.5 cents per kWh.

To date, the *Inflation Reduction Act* has already created more than 100,000 clean energy jobs in the US within 90 new clean energy projects.[62]

### Relevance of the United States *Defense Production Act* to American Tribal Nations

The *Inflation Reduction Act* is not the only legislation in the United States that is supporting project and economic development potential of American Tribal Nations. The United States' *Defense Production Act of 1950* was created to protect national defense by making sure it has the "ability of the domestic industrial base to supply materials and services". Part of this is "to ensure the vitality of the domestic industrial base" through measures such as "supporting…improvements in industrial efficiency and responsiveness."[63]

The *Defense Production Act of 1950* has provisions for loan guarantees used for the purpose of "[e]xpediting production and deliveries or services" related to "industrial resources, critical technology items, or essential materials needed for national defense". **Notably, these loan guarantees can be made available to US Tribes and "domestic sources" including Canada, and therefore potentially, Indigenous nations in Canada.**[64] On February 27, 2023, the US Biden-Harris Administration leveraged the Act further to accelerate industrial production related to defense/critical supply chains.[65]

## *What would this look like in Canadian Indigenous policy?*

Watching from north of the 49th parallel, the *Inflation Reduction Act* in the United States has set a new bar for Canada on how federal policy can accelerate net zero targets *and* Indigenous economic participation simultaneously. Since the enactment of the IRA, industry and Indigenous leaders have been giving thought to what similar innovative policy and federal funds allocation could match this initiative in Canada.

[62] Wanna, C., 6 February 2023. *100,000 Green Jobs Announced Since US Adopted Climate Law, Study Finds,* BNN Bloomberg. www.bnnbloomberg.ca/100-000-green-jobs-announced-since-us-adopted-climate-law-study-finds-1.1879971.

[63] Defense Production Act of 1950, as Amended [50 U.S.C. § 4501-4568].

[64] Ibid.

[65] The White House, 27 February 2023. *Memorandum on Presidential Waiver of Statutory Requirements Pursuant to Section 303 of the Defense Production Act of 1950, as amended, on Department of Defense Supply Chains Resilience.* www.whitehouse.gov/briefing-room/presidential-actions/2023/02/27/memorandum-on-presidential-waiver-of-statutory-requirements-pursuant-to-section-303-of-the-defense-production-act-of-1950-as-amended-on-department-of-defense-supply-chains-resilience/.

## Highlighted Policy: Hydro One

Hydro One (Ontario's largest electricity transmission and distribution service provider) has set a precedent in Canada: since late 2022, all new major transmission lines in Ontario valued over CAD$100 million will have an option for First Nations to own up to 50% the projects.

This policy commitment by Hydro One to First Nations in Ontario represents an innovative policy precedent for the rest of Canada.[66]

[66] Please see the following for more information on this policy: www.hydroone.com/about/indigenous-relations/first-nations-equity-model.

## Ontario First Nations are leaders in Indigenous electric infrastructure ownership.

1. **Generation.** According to Indigenous Clean Energy, Ontario First Nations co-own approximately 5% or 1951 MW of the province's 40,200 MW of electricity generation capacity[67].

2. **Transmission.** Wataynikaneyap Power LP is a licensed transmission company equally owned by 24 First Nations communities (51%), in partnership with Fortis Inc. and other private investors (49%). Currently under construction, Wataynikaneyap will develop, own, and operate approximately 1,800 kilometers of 230 kV, 115 kV, and 44 kV lines in northwestern Ontario.[68] Total cost of the project is CAD$1.9-billion.[69]

3. **Transmission.** Hydro One's equity model will offer First Nations a 50 per cent equity stake in all future large scale capital transmission line projects.[70] Hydro One is Ontario's largest electricity transmission and distribution provider with approximately 1.5 million customers, approximately CAD$30.4 billion in assets and annual revenues of approximately CAD$7.2 billion (2021).[71]

4. **Ownership.** Ontario First Nations collectively own 14,391,012 shares in electricity transmission company Hydro One. Acquired at CAD$18.00 per share for a total cost of CAD$259,038,216 in 2018[72], the shares are currently valued at CAD$522,825,466.[73]

*"When it comes to renewable energy, if we don't try to develop it in a responsible way, it's going to be forced on us and we're going to pay the cost for the benefit for the rest of the nation, for the rest of the world. So as a leader, as Indigenous peoples, we want to be participants and have a say from the very beginning, from the scoping and have influence on the decisions that every government we have to deal with are at the table."*

- Dave Archambeault II *(45th Chairman for the Standing Rock Sioux Tribe)*

[67] Calculation: Indigenous-owned generating capacity 3,042 MW / Total Ontario electricity generating capacity 40,200 MW = 7.6% Canada Energy Regulator, Provincial and Territorial Energy Profiles – Ontario www.cer-rec.gc.ca/en/data-analysis/energy-markets/provincial-territorial-energy-profiles/provincial-territorial-energy-profiles-ontario.html#:~:text=Ontario%20is%20the%20second%20largest,40%20200%20megawatts%20(MW). Data source: Indigenous Clean Energy indigenouscleanenergy.com/.

[68] Wataynikaneyap Power, 2019. *The Partnership.* www.wataypower.ca/ownership/partnership

[69] www.northernontariobusiness.com/industry-news/aboriginal-businesses/noba-2020-wataynikaneyap-wataypower-is-the-recipient-of-the-first-nations-business-award-of-excellence-3166024.

[70] Newswire, 22 September 2022. *Hydro One launches industry-leading 50-50 equity model with First Nations on new large-scale transmission line projects.* www.newswire.ca/news-releases/hydro-one-launches-industry-leading-50-50-equity-model-with-first-nations-on-new-large-scale-transmission-line-projects-827188403.html.

[71] Osler, March 2023. *Hydro One Inc.* www.osler.com/en/expertise/deals-cases/hydro-one-inc-5.

[72] Rice, W., 4 January 2018. *Ontario First Nations acquire 14 million shares of Hydro One.* CBC News. www.cbc.ca/news/indigenous/ontario-first-nations-hydro-one-shares-1.4473126.

[73] Hydro One share price as of March 13, 2023 was CAD$36.33.

## Highlighted Policy: Manito Aki Inakonigaawin

Many Indigenous nations across Canada have their own policies, laws, constitutions, and regulations that support Indigenous decision making around projects and investments on their lands. Notable among them is *Manito Aki Inakonigaawin*, or the Grand Council Treaty #3's Great Earth Law, proclaimed on October 3, 1997, with approval of the Elders, validated through traditional ceremony, and ratified by the National Assembly.[74] The Great Earth Law emphasized Indigenous values as driving project/deal decisions making:[75]

> *"The Anishinaabe Nation in Treaty #3 maintains rights to all lands and water in the territory throughout Northwestern Ontario and Southeastern Manitoba. Accordingly, any development in the Treaty #3 territory, including forestry, mining, hydro, highway, pipeline, and other consultation approaches, require the consent, agreement, and participation of the Anishinaabe Nation in Treaty #3."*

This law is an important bridge between Indigenous inherent rights and responsibilities to Treaty #3 lands and waters and navigating today's complex myriad of laws, policies, project proponents, and the social and economic goals of Indigenous nations. The *Manito Aki Inakonigaawin* law embodies the members of Treaty #3's "duty to respect and protect lands that may be effected from over-usage, degradation and un-ethical processes" while exercising their "pre-existing jurisdiction as proper stewards of the land".[76]

Simultaneously, the Grand Council Treaty #3 can use this law as a regulatory process where the principles set out by the *Manito Aki Inakonigaawi* guides decision making on, for example, forestry, mining, hydro, highways, and pipeline systems in Treaty #3 Territory. *Manito Aki Inakonigaawin* clarifies that any such projects require the consent, agreement, and participation of the Anishinaabe Nation in Treaty #3.[77] The *Manito Aki Inakonigaawi* may provide a touchstone for Indigenous nations writing down their laws and protocols that have been developed over millennia for both internal and external purposes, such as exercised by Treaty #3.

Some Indigenous nations have used other approaches to make Indigenous values-based decisions with nation members about projects and project impacts. Notable examples of other approaches are:

- **Biigtigong Nishnaabeg** (Ojibway First Nation in Ontario) who used a referendum to decide on the proposed Marathon Palladium Mine Project in their territory.[78] This approach will be discussed by Indigenous experts and leaders of this project.[79]
- **The Wabun Model** is a policy that was developed and is used by the Wabun Tribal Council (WTC) to consistently approach company-community collaboration on exploration and mining projects.[80] Founded on the principals of consistency and free, prior, and informed consent, the model helps to streamline decision making on projects on WTC lands.[81] The Wabun Model allows parties to "build long-term, mutually beneficial partnerships and meaningful engagement protocols".[82]

[74] Grand Council Treaty #3, March 2023. *Manito Aki Inakonigaawin*. http://gct3.ca/land/.

[75] Ibid.

[76] Grand Council Treaty #3, March 2023. *History of Manito Aki Inakonigaawin.* http://gct3.ca/land/manito-aki-inakonigaawin/.

[77] Ibid.

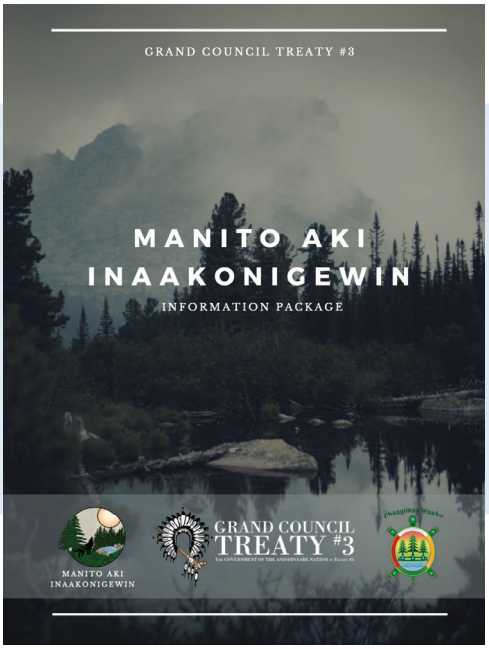
[78] Biigtigong Nishnaabeg, 12 December 2022. *Official Count Declaration – Ratification Vote.* www.picriver.com/wp-content/uploads/2022/11/CBA-Ratification-Official-Count-Declaration.pdf.

[79] For detailed times of when this and other projects will be discussed, please see the most updated agenda here: www.fnmpcindustryevent.com/agenda-2023.

[80] Prospectors & Developers Association of Canada, 5 March 2023. *Negotiating agreements in early exploration: Best practice MOU's and EA's.* www.pdac.ca/convention/programming/sustainability-program/sessions/sustainability-program/negotiating-agreements-in-early-exploration-best-practice-mou-s-and-ea-s.

[81] Scales, M., 1 December 2016. *The Wabun Model: Meaningful engagement mineral resource exploration and development, Canadian Mining Journal.* www.canadianminingjournal.com/featured-article/wabun-model-meaningful-engagement-mineral-resource-exploration-development/.

[82] Prospectors & Developers Association of Canada, 5 March 2023. *Negotiating agreements in early exploration: Best practice MOU's and EA's.* www.pdac.ca/convention/programming/sustainability-program/sessions/sustainability-program/negotiating-agreements-in-early-exploration-best-practice-mou-s-and-ea-s.




## MANITO AKI INAAKONIGEWIN Information Package

http://gct3.ca/wp-content/uploads/2023/02/MAI-Toolkit.pdf

Awasis Solar Project (Elemental Energy and Cowessess First Nation) is on reserve land and brings direct benefits to CFN including ownership experience, lease revenue, and equity returns.

## Scaling and Streamlining Solar and Wind Energy

At last year's FNMPC conference *Toward Net Zero by 2050*, Indigenous experts and delegates outlined the successes and challenges of operationalizing solar and wind projects.[83] In Canada and the United States, the transition to net zero presents a unique opportunity to begin addressing the climate crisis and Indigenous economic reconciliation through opportunities for Indigenous equity ownership of net zero energy generation.

However, solar and wind energy projects need to be planned, approved and built faster to address the climate crisis. In emerging markets, the World Bank has implemented programs that reduce barriers to market entry and enable investments in utility-scale wind and solar power.[84] The World Bank's Scaling Solar program aims to "operationalize privately funded, grid-connected solar projects within two years".[85] In Canada and the United States, the timelines for getting grid-scale solar and wind generation projects funded[86] and then built and generating are variable. Some notable examples of successful grid-scale solar and wind projects with Indigenous ownership include:

| PROJECT | INDIGENOUS NATION & PARTNER(S) | DESCRIPTION |
|---|---|---|
| **Green Henvey Inlet Wind**<br>300 megawatts | Henvey Inlet First Nation & Pattern Energy Canada | The Henvey Inlet First Nation made use of the First Nations Land Management Act to regulate the development of Henvey Inlet Wind on Reserve No. 2 Lands.[87] |
| **Awasis Solar**<br>10 megawatts | Cowessess First Nation (CFN) & Elemental Energy | CFN is a renewable energy leader, having already built an 800kW wind turbine, a 500kW solar array, and 400kWh battery system.[88] Canada provided support for the project, allowing CFN to partner with Elemental Energy to scale the project to 10MW.[89] |
| **Westchester Wind Project**<br>50 megawatts | Wskijnu'k Mtmo'taqnuow Agency Ltd. (13 Mi'kmaw bands) & Natural Forces Developments | From first submission for environmental assessment (Feb 2022) the Province of Nova Scotia approved the Indigenous-backed wind farm one year later.[90] |

[83] von der Porten, S., and Podlasly, M., September 2022. *"The Only Road to Net Zero Runs Through Indigenous Lands": Toward Net Zero by 2050 Conference Findings and Report.* April 25-26, 2022. First Nations Major Project Coalition. September 2022. www.fnmpcindustryevent.com/post-conference-report.

[84] International Finance Corporation, March 2023. *Scaling Wind: Harnessing Wind to Power Sustainable Growth.* ifc.org/wps/wcm/connect/industry_ext_content/ifc_external_corporate_site/infrastructure/priorities/power/scaling+wind.

[85] World Bank Group, March 2023. *Unlocking Private Investment Emerging Market Solar Power.* www.scalingsolar.org.

[86] Anpetu Wi Wind Farm, Mach 2023. *Help us leave a legacy on our native land.* anpetuwi.com/.

[87] Pattern Canada, March 2023. *Henvey Inlet Wind.* patterncanada.ca/projects/henvey-inlet-wind/.

[88] Elemental Energy, March 2023. *Awasis Solar.* elementalenergy.ca/project/awasis-solar/.

[89] CBC News, 9 November 2022. *$21M Cowessess First Nation solar project now up and running.* www.cbc.ca/news/canada/saskatchewan/cowessess-first-nation-solar-project-up-and-running-1.6646896

[90] Province of Nova Scotia, 22 December 2022. *Westchester Wind Project.* novascotia.ca/nse/ea/Westchester-Wind-Project/.

# DAY 2 AFTERNOON

## Securing Competitively Priced Capital

Around the world there is significant momentum to accelerate projects related to net zero such as clean energy projects, electrical transmission lines, and battery mineral supply projects. In Canada, these energy and mineral projects will be built on Indigenous lands and according to the *United Nations Declaration on the Rights of Indigenous People* (UNDRIP) will require the free, prior, and informed consent from Indigenous peoples.

In addition to its net zero commitments, Canada has additional economic challenges including (1) economic slowing due in part to uncertainty surrounding new economic projects, (2) the risk of worsening capital flight/avoidance, and (3) a commitment, under UNDRIP, to economic reconciliation with Indigenous nations.[91] Given these challenges, partnerships with Indigenous nations to assist building infrastructure such as battery mineral mines and transmission lines that would contribute to the greater economy for the benefit of all parties.

However, many of the same systemic barriers that have largely excluded First Nations from meaningful economic participation in the economic activities and industries that have made the rest of Canada prosperous are still in place. The major barrier is the *Indian Act* which has long prevented Indigenous nations in Canada from reasonable and competitive access to capital for investment and economic development. The *Act's* obstruction of Indigenous businesses from raising capital in turn exacerbates other hindering factors, such as the relative remoteness of many Indigenous nations and their businesses from economic opportunity and far fewer human and financial resources. In concert, these factors put Indigenous equity investment in new projects at a significant competitive disadvantage.[92]

Given these systemic barriers, there are three angles explored in this section: (1) the potential for bonds as a financial instrument to support Indigenous economic self-determination, (2) insights from difficult-to-finance projects where Indigenous nations have secured competitive capital, and (3) how government policy could do better to support Indigenous nations' access to capital.

*"Whether you're in government or whether you're in industry, we need to bring people together, because the most important thing for me is that seven generations have opportunity. What I've found is that when corporations come to our community, we get left behind.* ***But when we have equity ownership, it's the truest form of consent.*** *We really have an opportunity to really provide a generational opportunity for our members, but also nobody gets left behind when Indigenous nation is involved in a major project meaningfully and with equity."*

- Chief Sharleen Gale, *Chair, FNMPC & Chief, Fort Nelson First Nation*

[91] von der Porten, S., Edwards, N., Vickers, B., Mullen, D., and Podlasly, M. April 2022. N*ational Roundtable on Indigenous Access to Capital in Canada: Roundtable Primer.* First Nations Major Project Coalition and BC Business Council, fnmpc.ca/wp-content/uploads/2022/07/FNMPC_BCBC_ACCESS_TO_CAPITAL_07192022.pdf.

[92] Ibid.

## Highlighted Topic:
## Bonds Supporting Indigenous Economic Self-Determination

***Green and sustainability bonds***

Green and sustainable bonds are expected to reach the US$1 trillion-dollar mark in new issuances in 2023. This spectacular growth in green bonds is built on established principles, frameworks, and standards which in turn have set solid foundations for the market to flourish and to provide financial returns, while also contributing to improving environmental and/or climate outcomes.

### Green and Sustainable Bonds

Green and sustainable bonds have the potential to support Indigenous economic self-determination, so what are they?

**Green bonds** are fixed-income debt securities that can be issued by governments, organizations or public/private companies to raise funds for projects that deliver environmental benefits. Such benefits might include clean energy generation infrastructure, reforestation, or adaptation to climate change. The investors who buy green bonds are typically institutional or large organizations – such as pension funds – which purchase the bonds in bulk.[93]

Development banks have started issuing bonds directly linked to individual Sustainable Development Goals (SDGs) (please see SDG sidebar) – these are known as **sustainability bonds**.[94] The market for sustainability bonds is, to date, much smaller than green bonds.

While financial returns are critical to institutional investors, the appeal of generating environmental and social outcomes has become increasingly attractive to a growing number of asset owners over the past 15 years. Bond types have been broadened to include the UN's 17 Sustainable Development Goals, which can in turn provide a blueprint for attracting capital to Indigenous economic development. At over US$120 trillion, the bond market (including all bonds) is the biggest capital market in the world. With increasing investor interest in supporting Indigenous nations there is incredible potential to scale financing and set solid foundations.

[93] Nicholls Jones, S., 6 July 2022. *The lowdown on the thriving green bond.* Chartered Professional Accountants Canada www.cpacanada.ca/en/news/canada/green-bonds-explainer.

[94] Royal Bank of Canada, June 2020. *RBC Sustainable Bond Framework*. https://www.rbc.com/investor-relations/_assets-custom/pdf/RBC-Sustainable-Bond-Framework-EN.pdf.

## United Nations Sustainable Development Goals (SDGs)

The United Nation's (UN) 17 Sustainable Development Goals (SDGs) came from The 2030 Agenda for Sustainable Development,[95] which was adopted by all of the UN Member States in 2015. The SDGs collectively provide a shared roadmap for "peace and prosperity for people and the planet, now and into the future" and are a response to the "urgent call for action by all countries - developed and developing" in partnership to address poverty, health, education, inequality, economic growth, climate change and preserve oceans and forests.[96]

**The 17 Sustainable Development Goals are:**


[95] United Nations Department of Economic and Social Affairs, March 2023. *Transforming our world: the 2030 Agenda for Sustainable Development*. sdgs.un.org/2030agenda.

[96] United Nations Department of Economic and Social Affairs, March 2023. *The 17 Goals*. sdgs.un.org/goals.

## *Existing Indigenous Values-Themed Bonds*

Two examples of Indigenous values-themed bonds in Canada were identified in the research for this conference primer: the Deshkan Ziibi Conservation Impact Bond and First Nation Financial Authority (FNFA) bonds.

The **Deshkan Ziibi Conservation Impact Bond** (DZCIB) is a first-of-its-kind financial instrument facilitated by the Carolinian Canada Coalition (a Canadian Registered Charity) and Deshkan Ziibiing/Chippewas of the Thames First Nation, Western University, VERGE Capital, and Thames Talbot Land Trust. The DZCIB, launched in March 2020, is a five-year project and a pilot of the Conservation Impact Bond model. The objectives/goals of the bond are to "reverse the trend of habitat loss and eventually double habitat levels in the Carolinian Zone, in harmony with existing land uses…" and to "become financially self-sustaining and supported by a community of people willing to work together in a process of advancing healthy landscapes and healing relations for the long term."[97] The DZCIB operates on the traditional territory of the Deshkan Ziibing/Chippewas of the Thames First Nation, and represents a partnership with the Indigenous peoples on whose territories the project operates which is "integral to honouring Indigenous land sovereignty in the spirit of reconciliation and acknowledging the successes of Indigenous land stewardship."[98]

*"Through workshops and countless meetings, the Chippewas of the Thames First Nation really pushed for our partners to understand that for any of this conservation work to have long lasting impacts, we must first heal our relationship with the land. This translates in the bond through the evaluation metrics that were developed by Ivey Business School where there is one or two metrics that touch on 'how do you feel?' (We mainly didn't want for all the metrics to just be quantifying the environment which is how projects are typically evaluated)."*

- Emma Young (Anishinabek), *Senior Environment Officer, Chippewas of the Thames First Nation*

[97] Carolinian Canada, March 2023. *Conservation Impact Bond (CIB).* caroliniancanada.ca/cib.

[98] The Deshkan Ziibi Conservation Impact Bond Leadership Team, March 2023. *Empowering the Human-Nature Bond: Discover the relationships facilitated by the Deshkan Ziibi Conservation Impact Bond.* storymaps.arcgis.com/stories/98aadb8de8d0425c9955adc005d2cfae.

The **First Nations Financial Authority** (FNFA) have been leaders in Indigenous bonds issuance in Canada. Since 2014, the FNFA has issued at least nine bonds/debentures to raise funds to provide First Nations with long-term fixed rate loans. In March 2022, the FNFA issued a debenture worth CAD$354 million.[99] This bond is supporting projects in 19 First Nations communities throughout Canada, including a solar energy farm in Ontario, a hydro-electric project in Quebec, an elder's care facility, housing, and other infrastructure. Proceeds from their eighth bond, issued in 2021, were used to fund a loan to the Mi'kmaq First Nations for the purchase of the offshore fishing licenses as part of the CAD$1 billion purchase of Clearwater Seafoods.[100]

Given these Indigenous bond examples, and the known successes in the conventional bond market, the FNMPC has identified potential for Indigenous nations to develop capacity for issuing green or sustainable bonds. As the mainstream markets for green and sustainability bonds grow, it may be worth Indigenous nations - particularly those with existing endowments or trusts - to explore the potential for issuing bonds. Through issuing green or sustainable bonds, Indigenous nations could potentially exercise financial governance and sovereignty on investment capital.

## Highlighted Topic: Insights from Difficult-to-Finance Projects

Indigenous ownership in rate regulated assets such as electricity transmission lines are generally financeable in the market. Yet other non-regulated natural resources and infrastructure projects that impact Indigenous territories pose challenges to First Nations seeking competitively priced capital for equity participation.

Indigenous nations who today are participating as owners or partners in these sorts of commercial projects have demonstrated ingenuity to find workarounds to secure competitively priced capital.

Experts on this panel will discuss discuss of the realities, complexities and challenges around participation in these hard-to-finance projects.

[99] First Nations Financial Authority, 2021. *Every Loan Tells a Story.* www.fnfa.ca/wp-content/uploads/2022/07/2022-FNFA-Annual-Report.pdf.

[100] UBC Sauder School of Business, March 2018. *Impact Investing in the Indigenous Context: A Scan of the Canadian Marketplace.* University of British Columbia. www.sauder.ubc.ca/sites/default/files/2019-04/Impact%20Investing%20in%20the%20Indigenous%20Context%20-%20Report%20-%20FINAL.pdf.

## Highlighted Topic: Government Policy to Support Indigenous Access to Capital

Underscoring perhaps all the projects and policies outlined in this conference primer is that Indigenous access to capital is paramount to success in many respects, including:

- Indigenous economic reconciliation
- Indigenous self-determination
- Climate change, the *Paris Agreement* and net zero commitments
- *United Nations Declaration on the Rights of Indigenous Peoples* (UNDRIP) commitments
- Supporting free, prior, and informed consent for Indigenous nations
- Aligning the interests of proponents and First Nations through shared governance
- Integrating Indigenous values into project designs
- Financial benefits for First Nations, including the means to build out their own community infrastructure and programs

Despite these compelling reasons, the *Indian Act* has long prevented Indigenous nations in Canada from reasonably priced and competitive access to capital for investment and economic development. While there are sometimes resource- and time-consuming legal workarounds to these legislated deterrents, businesses on reserve lands have a formidable disadvantage because of the difficulty/inability to access secured funding/investment.[101] The *Indian Act's* obstruction of Indigenous businesses from raising capital exacerbates other hindering factors, such as the relative remoteness of many Indigenous nations/businesses from economic opportunity and far fewer human and financial resources. In concert, these factors put Indigenous equity investment in new projects at a significant competitive disadvantage.[102]

Taken together, Indigenous access to capital is critical for accelerating infrastructure development to support the transition to net zero in a way that does not repeat the pastmistakes of leaving First Nations with all the impacts and none of the benefits. FNMPC and partners have identified policy solutions to this ongoing competitive disadvantage for Indigenous nations in Canada. These solutions include one where the Government of Canada:[103]

1. Creates an **Indigenous Infrastructure Bank** that provides debt to projects.
2. Implements a **National Indigenous Loan Guarantee Program** that backs Indigenous equity purchases into major projects in their territories (please see sidebar for examples).
3. Makes available **Indigenous access to business capacity and negotiation supports** for Indigenous nations at the earliest possible stage of a project.
4. Finalizes its **National Benefits-Sharing Framework** for which it has had a mandate since 2019.

[101] Macaulay, D., et. al., 28 January 2010. *Indian Property - Lien and Seizure Restrictions.* Bennett Jones. www.bennettjones.com/Publications-Section/Updates/Indian-Property---Lien-and-Seizure-Restrictions.

[102] von der Porten, S., Edwards, N., Vickers, B., Mullen, D., and Podlasly, M., April 2022. *National Roundtable on Indigenous Access to Capital in Canada: Roundtable Primer.* First Nations Major Project Coalition and BC Business Council, fnmpc.ca/wp-content/uploads/2022/07/FNMPC_BCBC_ACCESS_TO_CAPITAL_07192022.pdf.

[103] Ibid.

## National Indigenous Loan Guarantee Program

There are several existing and successful loan guarantee programs in Canada and the United States. The most prominent examples include:

**US Department of Energy Tribal Energy Loan Guarantee Program**

Administered through the Loan Programs Office of the US Department of Energy, this program supports "tribal investment in energy-related projects by providing direct loans or partial loan guarantees". Loans can be used for costs such as to design, engineering, financing, construction, start-up, and commissioning of an energy project.[104]

**Alberta Indigenous Opportunities Fund (AIOC)**

A crown corporation created by of the Alberta Provincial Government whose investment supports are available for "natural resource projects in Canada that have at least one Alberta-based Indigenous group as an investor".[105] The AIOC supports Indigenous investments with loan guarantees backed by Alberta.

**Ontario Aboriginal Loan Guarantee Program (ALGP)**

ALGP focuses support on Indigenous participation in Ontario for new renewable green energy infrastructure like wind, solar and hydroelectric and other electricity infrastructure projects.[106]

**Saskatchewan Indigenous Investment Finance Corporation (SIIFC)**

(In progress) The Government of Saskatchewan introduced new legislation to create the SIIFC which will support Indigenous participation in the province's natural resource and value-added agriculture sectors.[107]

[104] Loan Programs Office, July 2022. *Lending Reference Guide.* www.energy.gov/sites/default/files/2022-07/LPO_Lending_Reference_Guide_Tribal_July2022.pdf.
[105] Alberta Indigenous Opportunities Corporation. www.theaioc.com/.
[106] Ontario Financing Authority, March 2023. *Ontario Aboriginal Loan Guarantee Program.* www.ofina.on.ca/algp/faq.htm#p3.
[107] Saskatchewan Indigenous Investment Finance Corporation. https://siifc.ca/.

# Conclusion

The *Values Driven Economy Conference* is an Indigenous-led event that highlights leading examples of *how* the inclusion of Indigenous values in commercial endeavors can lead to the shared success that businesses, investors, governments *and* Indigenous nations desire.

The confluence of three major factors is focusing attention on the role that Indigenous values play in successful major projects, including:

1. Indigenous leadership, including advocacy and legal court decisions.
2. ESG-focused investment frameworks and investors.
3. The global adoption of UNDRIP (in particular the principal of 'free, prior, and informed consent').

The achievement of our national environment and economic aspirations now depends on including all our citizens – Indigenous and non-Indigenous – in the risks and prosperity of nationally important projects.

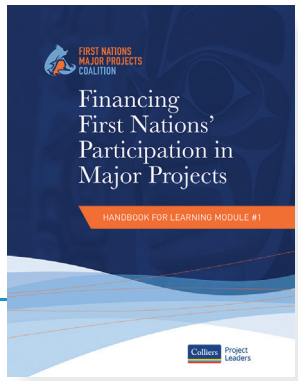
The First Nations Major Project Coalition welcomes you to the *Values Driven Economy Conference* – www.fnmpcindustryevent.com.

## Relevant FNMPC Reports


***"The Only Road to Net Zero Runs Through Indigenous Lands": Toward Net Zero by 2050 Conference Findings and Report.***

April 25-26, 2022. First Nations Major Project Coalition. September 2022.

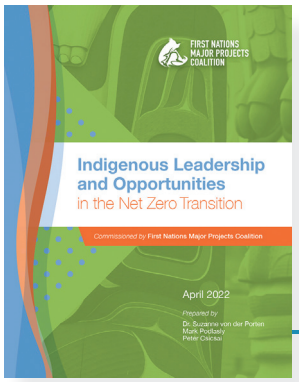
https://www.fnmpcindustryevent.com/post-conference-report




***Financing First Nations' Participation in Major Projects.***

First Nations Major Project Coalition.

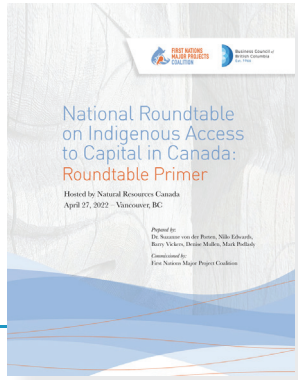
https://fnmpc.ca/wp-content/uploads/2022/05/Capital-Markets-101_Handbook_FNMPC.pdf




***Indigenous Leadership and Opportunities in the Net Zero Transition. Toward Net Zero by 2050 Conference Primer.***

First Nations Major Project Coalition. April 2022.

https://fnmpc.ca/wp-content/uploads/2022/04/FNMPC_Primer_04132022_final.pdf




***National Roundtable on Indigenous Access to Capital in Canada: Roundtable Primer.***

First Nations Major Project Coalition. April 2022.

https://fnmpc.ca/wp-content/uploads/2022/07/FNMPC_BCBC_ACCESS_TO_CAPITAL_07192022.pdf

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