



FIRST NATIONS
MAJOR PROJECTS
COALITION

First Nations Major Projects Coalition
Response to the Government of Canada's
*"Powering Canada Strong: A National Strategy
for an Electrified Canadian Economy"*

SEPTEMBER 9, 2026

First Nations Major Projects Coalition
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September 8, 2026

Attention: Natural Resources Canada, Government of Canada

c/o Vanessa Corkal and Kanwal Khokhar - electricity-electricite@nrcan-rncan.gc.ca

cc: Honourable Minister Tim Hodgson – tim.hodgson@parl.gc.ca

cc: Assistant Deputy Minister Kimberly Lavoie – kimberly.lavoie@nrcan-rncan.gc.ca

Subject: FNMPC Response to Natural Resources Canada's request for input on Government of Canada's "Powering Canada Strong: A National Strategy for an Electrified Canadian Economy"

Context for FNMPC's input on Powering Canada Strong

On May 14, 2026, the Government of Canada launched *Powering Canada Strong: A National Strategy for an Electrified Canadian Economy* for the purposes of building a clean, reliable, affordable electricity system in Canada. In July 2026, the Government of Canada's team tasked with engagement on the Strategy reached out to the First Nations Major Projects Coalition (FNMPC) for feedback, alongside many other organizations and sectors across Canada. The Government of Canada requested feedback specifically on the following questions:

1. What are the most significant financial constraints to doubling the grid (for example, rate impacts on consumers, market structures, regulatory treatment, etc.)?
2. To what degree are financing constraints limiting the buildout?
3. What existing federal tools (e.g., ITCs, CIB, programs such as SREPs) are most effective and having the greatest impact, and for what types of projects?
4. What are gaps that current federal tools do not address? Why would federal intervention be justified? (e.g. coverage for parts of the system or types of projects, eligibility, alignment with sector needs, scale)?
5. Are existing federal programs appropriately scaled in terms of available funding levels and project eligibility to support the required investments in electricity infrastructure?
6. To what extent should federal financing tools account for intergenerational distribution of costs that deliver benefits over decades? If so, which tools would be most effective?
7. Where can federal tools add the greatest value relative to provincial governments, utilities, regulators, and private capital markets?
8. In relative terms, what kinds of projects require supplemental support to advance, and which do not?

FNMPC submits the following responses to these questions where pertinent to our mandate, expertise, and member interests.

Doubling Canada's electricity grid will only be successful if First Nations are centred as owners, decision-makers, and long-term partners. FNMPC recommends that the Government of Canada design tools – such as capacity funding and equity financing - that achieve both expanded electrification and Indigenous economic self-determination and electricity project ownership.

Summary of FNMPC recommendations

FNMPC recommends eight actions by the Government of Canada:

1. Fund Indigenous participation in electricity infrastructure from the pre-development stage (front-end engineering design and pre-final investment decision), including amending the Canada Infrastructure Bank's (CIB) terms of reference so it can fund development-stage Indigenous equity ahead of procurement.
2. Redesign the Indigenous Loan Guarantee Program (ILGP) and provincial equivalents to backstop the equity portion of Indigenous stakes, not only the debt, and convene guarantee providers to standardize agreements across federal, provincial, and territorial programs.
3. Scale capital to the size of the buildout: expand CIB Indigenous equity loans and establish a dedicated First Nation Electrification Fund capitalized at \$40+ billion¹ scale.
4. Extend the Clean Electricity and Clean Technology Investment Tax Credits (ITCs) to at least 2040, reduce their administrative burden and eligibility uncertainty, and extend eligibility to bulk inter- and intra-provincial and -territorial transmission.
5. Consolidate federal funding vehicles for clean electricity under a single steward so that Nations and partners/developers are not navigating multiple programs with unclear distinctions.
6. Lead on inter-provincial/territorial transmission/interties as convener, with First Nations centred as leaders, decision makers, and owners, and develop a **Transmission Interconnect Investment Strategy** jointly with provinces, territories, and Nations.
7. Prioritize Indigenous equity in contracted or regulated environments, encourage Indigenous equity options in all independent power producer (IPP) procurement streams, and direct utilities to build standardized Indigenous ownership pathways into power purchase agreements (PPAs).
8. Target supplemental federal support to large transmission lines, Indigenous-owned utilities, and clean baseload and hydroelectric refurbishments.

¹ All funds in this response are in CAD\$.

NRCAN Discussion questions with FNMPC responses

1. What are the most significant financial constraints to doubling the grid (for example, rate impacts on consumers, market structures, regulatory treatment, etc.)?

Centering Indigenous ownership and addressing barriers to Indigenous project participation

The new transmission and generation infrastructure Canada needs to build to double the grid would be on Indigenous traditional lands and waters. Therefore, centring Indigenous ownership in all new electricity projects in Canada is key to accelerating the doubling of the grid. When First Nations are engaged early and with capacity resources to make decisions, as well as provided options for ownership for projects, the projects are then de-risked for First Nations, commercial interests, governments and utilities.

Ownership has already settled routing plans and put transmission lines in the ground. On Alberta's Southwest Transmission Line, First Nations challenged the route. AltaLink's answer was to offer 51% ownership, and Piikani Nation and Kainai Nation now hold the majority share of their respective portions. Wataynikaneyap Power, 51% owned by 24 First Nations, runs 1,800 km and took 16 communities off diesel. The East-West Tie was finished in 2022 with equity held by six First Nations through Bamkushwada Limited Partnership, more than 200 Indigenous people received trained on it, and Hydro One bought a 48% interest in 2024. Seven Indigenous communities hold 40% of Fort McMurray West, energized in 2019. These and other precedents are set out in FNMPC's ["It Is Our Time": Indigenous-Led Transmission Lines](#), pages 26 to 35.

In FNMPC's [National Indigenous Electrification Strategy](#) – the result of extensive engagement with Indigenous experts, FNMPC member First Nations, utilities, governments, and industry, together with a literature review – we identify 13 challenges to Indigenous ownership of electrification projects in Canada (pages 43-57). Some of these are financial constraints and others are structural or legal, but they should be viewed as an interwoven set of circumstances that must be addressed together to maximize Indigenous participation, self-determination, and clean energy project ownership. They include access to competitively priced capital, capacity, and the financing of First Nations-owned infrastructure. They also include legislative and regulatory constraints on utilities and regulators, inconsistent implementation of UNDRIP and of free, prior, and informed consent, an underbuilt transmission grid, remoteness, impact assessment and permitting, wheeling, the right to move power across existing transmission systems, and retail access to the grid, and the tension between affordability and reconciliation.

The [National Indigenous Electrification Strategy](#) also sets out 18 recommendations to governments and regulators (pages 66-81), alongside recommendations to First Nations and the private sector. We recommend your engagement team review all of these; the recommendations most relevant to the questions posed are reflected in the responses that follow.

Policy risk is already landing on Nations that hold equity

Alberta accounted for approximately 80% of utility-scale wind and solar capacity additions in Canada between 2019 and 2023, a build-out enabled by a functioning merchant market, a relatively predictable carbon pricing trajectory, and an accumulated base of investor confidence in the province as an investment jurisdiction. The institutional investors, developers, and lenders who established their Canadian track record in this period are, in large part, the same parties expected to finance renewable development in the rest of the country going forward.

Conditions in that market have since shifted, and the implications may extend beyond Alberta. According to the Canadian Renewable Energy Association (CanREA), several of Alberta's roughly 50 operating wind and solar projects are now operating toward the edge of their debt service coverage ratios, driven by recent provincial policy changes compounding on carbon pricing, market restructuring, and new project-level cost obligations. Notably, 11 First Nations and Métis Nations hold equity in 19 of these projects (approximately 650 MW), and as carbon revenue compression flows through to equity distributions, these Nations and communities are among the first to bear the financial impact.

However, it should be noted that Canadian merchant wind/solar is a relative anomaly outside Alberta. Government intervention is needed to backstop and add confidence to these projects and to provide return certainty for First Nations. Further, merchant markets introduce volatility that is difficult for Nations to absorb, especially when they hold only one or two assets. Indigenous equity should be prioritized in contracted or regulated environments where revenue certainty supports long-term community planning. Federal tools should explicitly avoid pushing Nations toward merchant-risk projects unless paired with revenue-stabilization mechanisms.

Utility balance sheet capacity

Debt capacity for utilities in Canada is a significant constraint on expanding generation and transmission. Most new generation and transmission investment lands on the utility's balance sheet as debt and equity. An exception is often IPP-contracted capacity, which is typically treated as off-balance-sheet (as with BC Hydro), even though it functions economically much like debt. However, this is a structural feature that makes it possible for utilities to keep expanding IPP-based procurement, and by extension, First Nations equity investment opportunities without immediately maxing out the utilities' balance sheets. Therefore, IPP-contracted capacity functions as a market mechanism that currently supports First Nations participation. IPP procurement is currently one of the strongest mechanisms for supporting Indigenous equity investment because it avoids immediate balance-sheet pressure on Crown utilities. To further boost Indigenous participation, the federal government could encourage territorial and provincial governments to consider requiring Indigenous equity options in all IPP procurement streams. Additionally, utilities could be directed to structure PPAs with standardized Indigenous ownership pathways – for both generation and transmission infrastructure – reducing negotiation burden and increasing predictability for Nations. Adding this scale of debt increases utility leverage, which in turn requires an equity injection to keep the balance sheet workable for public utilities. That is a harder problem for Crown utilities than for investor-owned ones, since government is usually the sole shareholder and injecting equity is politically and fiscally difficult.

Importantly, significant levels of distribution capacity need to be built on reserve. Provinces deprioritize it, and in some cases the law blocks First Nations from owning and building that infrastructure or from guaranteed grid access, even where a Nation could do the work itself. This would benefit from federal influence to normalize access across Canada.

Borrowing cost itself is not the constraint for Crown corporations. Their government-backed borrowing rate is favourable and difficult to beat through other financing vehicles. The constraint is balance sheet capacity, not the cost of capital. For Nations, the balance-sheet constraint at Crown utilities directly affects the scale and timing of partnership opportunities. When utilities cannot expand their debt capacity, Indigenous equity opportunities shrink. This reinforces the need for federal tools that allow Indigenous equity to sit outside the utility's balance sheet, such as standalone Indigenous equity financing streams through CIB or ILGP, ensuring Nations are not constrained by Provincial fiscal limits. Nations want assets that keep generating value long after the loan is repaid. For example, BC transmission line investments amortize to zero over a set term. Once rate-regulated returns are captured, a fully functional asset with decades of remaining life stops earning. The declining book value also limits Nations' ability to leverage the asset or project future returns. One option would be a First Nations purchase right at a defined point, converting to private ownership and removing the debt from the utility's "books".

Regulatory certainty

Beyond carbon pricing, regulatory uncertainty more broadly, for example the length of time it took for ITCs to be legislated, and uncertainty related to approvals and environmental assessments, all add to uncertainty, time, and ultimately cost. The federal government could support certainty in all of these areas. Certainty benefits not only industry and investment, but First Nations Rights holders and First Nations businesses and investors. Regulatory certainty is especially important for Nations because delays in ITC legislation or environmental approvals disproportionately affect Nations with limited administrative capacity. Federal departments should adopt service-standard timelines for ITC eligibility rulings and environmental assessment decisions involving Indigenous equity projects. These timelines could be established by those impacted Nations.

2. To what degree are financing constraints limiting the buildout?

Financing is a significant constraint on the buildout of Canada's electricity grid, and the pressure is compounding: a large volume of investment needs to happen over a short period, at a time when the sector has experienced significant inflation. Proposed data centres compound this further, competing for the same capital, labour, and supply chain. Canada's clean electricity build-out transformation requires an estimated \$1.1-1.7 trillion, and the federal government will need to help identify and unlock this scale of capital.

Access and timing

Access to capital is most constrained at the **early development stage**. Nations need access to Front-End Engineering Design (FEED) and pre-Final Investment Decision (FID) money in order to participate earlier and secure an equity stake. Formerly, it was typical for a project to be fully hashed out, then Nations got the option to buy in or not. This effectively keeps Nations out of early stage procurement planning (and project planning generally) and a fully meaningful decision-making say until most of the decisions have already been made. The other benefit of this approach is early-risk, early-reward for Nations that want to lead their own projects, although those Nations need government support to de-risk projects to an appropriate level.

Additionally, for Indigenous project proponents, institutional barriers, rooted in a legacy of colonialism and institutional bias from traditional capital sources like banks, continue to limit First Nations' and companies' access to the capital needed to take an equity stake in a project. Part of the challenge for Indigenous project proponents at the early development stage is the lack of portfolio effects to manage project attrition. An IPP developer can pursue 10 early-stage projects, knowing only one or two will likely proceed, and budget accordingly. A First Nation, by contrast, may have only one or two potential projects within its territory or being run by its economic development corporation, making this risk far harder to manage. Some First Nations do not yet have any projects they are managing. This capital constraint is a structural barrier rooted in the small scale of individual First Nations and in some cases, band governance.

BC Example: The CIB/BC Hydro Indigenous loan package arrangement, announced in 2024 is a model that supported First Nations to take significant equity stakes (ranging from 49 to 51% ownership) in successful BC Call for Power projects. But structurally, CIB capital only flowed to First Nations after BC Hydro announced the winning bids, meaning it addressed the construction-stage need but not the earlier one.

The **development phase** is where project partners place much of their at-risk capital, setting the terms of ownership – funding the initial consultations, permitting, field work, and other important activities. This development work

can cost upwards of \$10 million per project, an amount that many First Nations and companies cannot necessarily put forward on one project, as they typically do not have the capital to do so. The lack of capital to invest early in the development of a project locks many First Nations out of the economic opportunity that electricity transmission, generation, and storage projects offer – or leaves them dependent on financing from project partners.

One solution would be for the CIB's terms of reference to be amended to allow it to fund development-stage work directly, and to have Indigenous equity loans be structured separately from project financing, so Nations can access capital without that debt showing up against the project's own financing structure. Specifically, the CIB could fund Indigenous equity in the development of a project prior to its submission to a power procurement process.

Another solution could be for Nations to come together to share this risk. There could be an opportunity for the federal government to support the pooling or sharing this risk among multiple Nations. Federal government programs should include a menu of options suitable for nations with different degrees of risk tolerance.

Loan guarantee programs (ILGP and equivalents)

To support First Nations and companies to become leads of and equity owners of electricity projects across Canada, federal and provincial governments have created loan guarantee programs like Ontario's Indigenous Opportunities Financing Program, the Alberta Indigenous Opportunities Corporation, and the Canada Indigenous Loan Guarantee Corporation. By offering government backed loan guarantees, these organizations have played a role in "de-risking" loans from traditional capital providers to Indigenous companies and nations.

Loan guarantee programs are also mismatched to what Nations most need: they are built to backstop debt rather than equity. That gap is examined under Question 4. Where these programs are redesigned, they should align with First Nations priorities and challenges such as:

- 1. Stable own-source revenues**
- 2. Economic reconciliation and ownership**
- 3. Limited ability to diversify project risk**
- 4. Disproportionate impacts of policy uncertainty**
- 5. Preference for long-term certainty over merchant-market volatility**

Coordination across these programs also remains a problem: differing debt thresholds, differing sectoral mandates, and inconsistency in loan guarantee terms, in concert force First Nations and developers to navigate multiple guarantee providers with different terms/thresholds/mandates instead of a single one. One of the challenges with the ILGP that was noted by one of our members was the extraordinary amount of documentation and the disconnect between Canada Development Investment Corporation (CDEV) and the project's chartered bank regarding security documentation and finalizing interest rate options. The additional time spent on this process led to increased third party lawyer involvement resulting in additional costs to the Nation. The feedback from the Nation was that perceived savings from the Nation through the ILGP program were offset by increased legal fees. FNMPC recommends that the federal government reduce these bureaucratic burdens on Nations by directing Natural Resources Canada's (NRCan) Nòkwewashk and/or the Canada Indigenous Loan Guarantee Corporation to convene these providers to develop standard agreements federally and with provincial/territorial counterparts.

Procurement timing

Longer procurement lead times in all new electricity projects would support First Nations and their industry partners. Longer windows between procurement launch and required bid submission give developers more time to reach partnership agreements with First Nations, conduct comprehensive community planning, and would support getting a project's ownership and financing structure in order before it needs to be locked in.

Scale

Existing capital markets, on their own, are unlikely to support the required grid buildout that the Government of Canada is aiming for. That shortfall is a broader financing constraint - not specific to Indigenous partners - but it compounds the equity gap described above. Even where capital markets are willing to lend, the pool of capital available for the riskier, less-proven end of the capital stack is more limited, ultimately impacting scale. Since capital markets alone cannot meet the scale of investment required, FNMPC recommends a dedicated First Nation Electrification Fund capitalized at \$40+ billion scale to ensure First Nation equity can keep pace with National grid expansion. Note: in Question 5 response below we note the analysis by Colliers Project Leaders prepared for FNMPC that put potential Indigenous equity participation at roughly \$40 billion across the energy sector.

3. What existing federal tools (e.g., ITCs, CIB, programs such as SREPs) are most effective and having the greatest impact, and for what types of projects?

Investment Tax Credits

Investment Tax Credits have the greatest impact on the growth of new electricity projects out of any federal tool currently in place and are broadly effective. They are particularly valuable for project development and for supporting First Nations equity investment in projects, especially now that ITCs have been made accessible to Indigenous entities. Because ITCs lower capital costs directly, they also play a role in mitigating rate impacts and reduce the debt/equity burden utilities and developers would otherwise carry.

However, there are some issues with the current structure of the ITCs that erode some of their value:

- » **Administrative burden:** requirements such as prevailing wage rules add compliance cost, particularly for smaller developers and First Nations partners with less capacity to absorb it.
- » **Eligibility uncertainty:** confirming whether a project qualifies can take considerable time, and developers have to carry that risk while awaiting confirmation.
- » **Incomplete coverage:** not everything a project needs is eligible property under the ITCs as currently structured.
- » **Payment delay:** because of the above factors, ITC payment can take years to materialize. The more risk and cost (timing, eligibility, added compliance headcount) that developers have to absorb to access the credit, the less of its value flows through to ratepayers, which undercuts the policy's impact.

Canada Infrastructure Bank

The CIB is also having a strong impact on the electricity sector, particularly through its Indigenous equity loans, which support First Nations to fund that project's ownership portion. CIB's bridge financing for ITC credits is similarly valuable, since it directly addresses the payment delay problem noted above. These equity loans are a critical piece of unlocking Indigenous ownership at scale, and therefore this is one of the more effective mechanisms currently available.

Fragmentation of funding vehicles

Fragmentation of funding vehicles is a recurring problem across the toolset for First Nations and more broadly. There are many federal funding vehicles, including the CIB, Canada Growth Fund, Canada Strong Fund, ITCs, the Business Development Bank of Canada (BDC), and the Smart Renewables and Electrification Pathways Program (SREPs), often with unclear distinctions between them. This lack of clarity and difficulty in navigating the programs by First Nations and industry developers alike adds confusion and cost for both. SREPs and the Strategic Innovation Fund (SIF) in particular carry significant complexity and overhead relative to their value. Previous attempts at a 'one-window' approach have not yielded great clarity. One internal steward would be better if done well. Federal tools should be as simple to navigate as possible and easily accessible rather than requiring case-by-case transactions.

4. What are gaps that current federal tools do not address? Why would federal intervention be justified? (e.g. coverage for parts of the system or types of projects, eligibility, alignment with sector needs, scale)?

Bulk intra-provincial/territorial transmission

While the federal government has signalled intent to designate "certain" high-voltage intra-provincial/territorial transmission as ITC-eligible, this remains a gap that has yet to be addressed.

Pre-development capacity funding for First Nations

A big gap in federal tools is capacity funding, especially during the pre-development phase. Private companies do not have the same resources to support pre-development and development capacity for First Nations partners as larger Crown corporations do. This gap is significant because early development is where projects most often stall: pre-development is the single largest barrier to Indigenous ownership.

Federal programs should fund Indigenous participation from the earliest stages, including feasibility studies, permitting, and community planning. Without this, Nations enter projects too late and lose ownership opportunities, further risking whether projects get built. Once a proponent has submitted a bid or reached the construction phase of a project, the path forward for all parties is generally clear(er). Once the project is complete and revenue is being generated, debt servicing ability is more evident and measurable, and as a result, First Nations equity partners typically buy in once a project reaches commercial operation. First Nations buying in at this point typically means that the risk carried in the pre-bid period, where capacity and development capital are most needed, falls almost entirely on the non-Indigenous proponent and is inaccessible to the First Nation until then. This is the same early-stage gap described under Question 2 (Access and Timing); the CIB terms-of-reference change proposed there would address it directly.

The equity gap in the capital stack

In a typical private financing structure, a project is roughly 70-80% debt-financed against contracted, stable revenue, leaving 20-30% as equity that is unbacked and genuinely at risk. When a First Nation buys into an ownership stake, that stake is itself split into debt and equity components (e.g., \$8M debt, \$2M equity on a \$10M stake). The ILGP is designed to backstop the debt since it is the more secure, revenue-backed component, not the equity component, which is exactly what First Nations need access to.

In practice, guarantee providers have stayed with projects that carry little variability, such as regulated utility assets, and have been reluctant to guarantee merchant wind or solar. They are de-risking what is already de-risked. That narrows the types of project Nations can join and the stage at which they can join, and it pushes proponents into lending their First Nations partners the money for the equity. That does not work at scale.

This reality could potentially be integrated into ILGP design or future iterations. Private developers already have strong leverage to get good debt terms on their own, and an Indigenous equity partner's debt is typically quite secure by extension (benefiting from the developer's own credit standing). The unresolved problem is the equity portion. For Indigenous-centred, grid-expanding projects with more variability (e.g., solar, wind, IPP structures generally), loan guarantee programs could be adjusted to better support those.

Currently, this equity component may be bridged in some cases by developers, or in some cases by First Nations' own-source-revenues. However, the sheer volume of development anticipated and required to double Canada's grid means the viability of the current approach could prove unsuitable to these goals. To address this, the federal government should take on more risk and back the equity portion directly.

Why federal intervention is justified

Federal intervention is justified on four structural grounds.

- (1) The early-development market does not function well for First Nations.** A typical developer can carry, say, 10 early-stage projects and write off the eight that fail. A Nation with one or two projects in its territory cannot spread that risk, and no commercial lender prices it. Indigenous guarantee programs backstop the debt, which was already bankable, and leave the equity unbacked, so proponents end up lending Nations the equity themselves. Notably, Indigenous guarantee programs also backstop the Nations debt-style equity which can come from banks or proponent. In concert, those realising translate to a gap in the market for First Nations, not a gap in willingness, one it will not close on its own.
- (2) The constraint at Crown utilities is a provincial fiscal constraint.** When a province cannot inject equity into its utility, the utility cannot expand its debt capacity, and First Nations equity opportunities shrink with it. The federal balance sheet is the only one that sits outside that limit.
- (3) Interprovincial transmission has no other sponsor.** Utilities build what their own systems require and treat interties as discretionary. Provinces have no mandate to plan across their own borders. First Nations whose territories cross those borders do, and only the federal government can convene the rest.
- (4) Canada has committed to implementing UNDRIP.** Those obligations rest with the Crown which needs more teeth to implement. The commitments are not discharged by leaving Nations to negotiate them project by project with developers and provincial/territorial regulators.

5. Are existing federal programs appropriately scaled in terms of available funding levels and project eligibility to support the required investments in electricity infrastructure?

CIB Indigenous equity loans draw from a limited pool of capital (see Question 4), and demand is likely to outpace it as the number of grid-expanding projects requiring Indigenous equity participation grows. Access to capital is still one of the main challenges we hear from First Nations. The pool of capital needs to be scaled to the magnitude of the buildout, and structured so that Nations and their partners can layer and leverage different programs and supports.

Analysis Colliers Project Leaders prepared for FNMPC puts potential Indigenous equity participation at roughly \$40 billion across the energy sector: \$12 billion in generation and \$5.2 billion in transmission. Rebuilding Canada's electricity system will take \$1.1 to \$1.7 trillion. Against those numbers, the federal Pre-Development Program holds \$250 million for pre-development across the whole sector, at the stage Question 4 identifies as the largest single barrier to Indigenous ownership. Both estimates are in FNMPC's National Indigenous Electrification Strategy, pages 38 and 18. The programs are an order of magnitude short of the opportunity.

The Clean Electricity and Clean Technology ITCs should be extended to at least 2040 to align with major project and investor timelines. While the current credits, which run to 2034, can play a role in reducing near-term capital cost pressures, their intended influence on critical planning and investment decisions going forward will wane if the time horizon does not more closely match the growing (and much needed) move toward longer-term power planning, in the range of 20-25 years. Extending ITCs to 2040 would align with realistic project development timelines. Many Indigenous-led transmission and generation projects require 10–15 years from concept to commissioning. Nations cannot commit equity to a build of that length against a Clean Electricity ITC that ends in 2034. What is missing is long-term certainty.

6. To what extent should federal financing tools account for intergenerational distribution of costs that deliver benefits over decades? If so, which tools would be most effective?

Nations buying into these projects are buying assets that will outlast the people who sign the deal. What matters is what the asset still earns once the debt is repaid. As Question 1 notes, rate-regulated transmission assets in BC amortize to zero over a set term: the line keeps running, but it stops earning, and the falling book value limits what a Nation can borrow against it. That gap between an asset's working life and the term over which it pays is the intergenerational problem in practice.

Three tools would address it: (1) Match loan tenors to asset life rather than to contract term, for CIB Indigenous equity loans and ILGP guarantees alike. (2) Build in purchase rights that let Nations convert to full ownership at a defined point. (3) Extend ITC horizons to at least 2040, so Nations can commit equity against a timeline that matches their projects.

7. Where can federal tools add the greatest value relative to provincial governments, utilities, regulators, and private capital markets?

Interprovincial transmission

The underbuilt transmission grid is a challenge for First Nations in Canada, particularly those interested in selling clean electricity to market and those with remote geographies where First Nations people do not have equitable access to reliable power. However, the challenges Canada faces to build out the grid mostly creates opportunities by way of Indigenous partnership or ownership of transmission lines. Table 5 on page 50 of FNMPC's [National Indigenous Electrification Strategy](#) summarizes Canada's challenges in transmission expansion, and the potential for Indigenous participation/ownership to act as a solution.

Canada's transmission grid is plagued by the artificial borders of provinces, territories and countries that in some cases split First Nations into two or more jurisdictions. It is these same jurisdictions that are fracturing the expansion of Canada's grid. Given that many First Nations have maintained the pre-colonial political/geographic governance structures that transcend the provincial/territorial borders, it makes sense that First Nations are the conveners across these borders.

Interprovincial transmission is one of the areas where the federal government can play a role as convener – and/or supporting First Nations as conveners – in a way that provincial/territorial actors and private capital markets are not well positioned to play on their own. Therefore, this role is likely the highest-value federal contribution on interties, further strengthened where federal funding is attached to it. Conditional federal support, tied to regional integration outcomes and supporting Indigenous leadership and equity investment, could be a useful lever here, applicable to investor-owned utilities and Crown utilities.

For all new transmission and interties, First Nations must be the lead on these projects and be centred in all decisions, routing, and be provided options for ownership. This includes supporting First Nations to work with regulators from multiple government agencies and utilities. For more on the precedent set for First Nations as leaders in existing transmission lines in Canada, please see page 26 of FNMPC's "[It Is Our Time](#)": [Indigenous-Led Transmission Lines paper](#).

For transmission projects, utilities are generally well-equipped to advance projects that are required for their own provincial systems, but interties are typically discretionary from a customer's perspective, and it is therefore more challenging to justify the investment.

Multi-jurisdictional transmission projects need a shared framework for allocating costs and benefits across provinces before they can move forward. A dedicated **Transmission Interconnect Investment Strategy**, developed jointly with provinces, territories, and First Nations, should be established to deliver this.

Northern Canada

Rate bases in the North are too small to finance this infrastructure locally. Federal contribution is the only realistic route to building it.

Indigenous data sovereignty

A First Nation cannot evaluate an ownership offer without the data behind it. Load forecasts, grid data, and transmission planning information sit with utilities and regulators, and Nations need them before an ownership decision, not after it. In several recent electricity and transmission proposals, Indigenous governing bodies were

asked to consider equity participation before receiving basic project data such as load forecasts, interconnection studies, or transmission expansion assumptions. In each case, the absence of this information delayed decision-making and required additional rounds of clarification with utilities and regulators. This challenge is already visible in multiple real projects. For example, in Alberta, several transmission line ownership offers were made to First Nations partners before utilities could release load forecasts or system impact studies due to regulatory constraints. Similar issues have occurred in BC Hydro's interconnection processes and in Ontario's transmission procurement cycles, where Indigenous governing bodies were asked to evaluate participation without access to full planning assumptions. These recurring situations demonstrate that the issue is not hypothetical and that it is affecting timelines and decision quality today. Federal departments can reduce these delays by establishing clear data-sharing protocols aligned with Ownership, Control, Access, and Possession (OCAP) principles. Federal departments should set data-sharing protocols with Indigenous governing bodies that respect OCAP principles.

Indigenous workforce development

Doubling the grid will take tens of thousands of skilled workers, and the projects are being built on First Nations lands. Across multiple major energy and infrastructure projects over the past decade, First Nations have negotiated workforce commitments that were later constrained by limited access to apprenticeships, utility certifications, or trade-specific training seats. In several cases, Nations had to create their own training pathways or negotiate supplemental agreements to meet workforce targets.

This gap is already evident in major projects. For example, on the Coastal GasLink project, First Nations workforce commitments were constrained because apprenticeships and trade-specific training seats were not available early enough to meet hiring targets. Similar challenges occurred on the Site C Dam, where utility-specific certifications limited First Nations participation until supplemental training pathways were negotiated. Alberta's major transmission builds have faced comparable issues, with apprenticeship ratios and utility-specific training requirements restricting Indigenous access.

These recurring examples show why federal investment in Indigenous-led training institutions and structured partnerships with utilities is essential if Canada expects to double the grid while ensuring Indigenous participation in the workforce that builds it. First Nations should be first in line for the apprenticeships, technical training, and utility certifications that work requires. Federal funding should go to Indigenous-led training institutions and to partnerships with utilities.

Indigenous-led permitting

Federal departments should expand Indigenous-led permitting models, where Indigenous governing bodies conduct or co lead environmental reviews. A Nation reviewing a project on its own territory is not a delay in the process. It is the part of the process most likely to hold up.

8. In relative terms, what kinds of projects require supplemental support to advance, and which do not?

Projects that need additional support:

1. Large transmission lines (interprovincial, northern): benefits are broadly distributed while costs are concentrated, making these look discretionary from a ratepayer's perspective even where the case for building is strong. Federal support is crucial to seeing progress on transmission and interties in Canada. As outlined above, and as discussed at length in FNMPC's ["It Is Our Time": Indigenous-Led Transmission Lines paper](#), centring Indigenous leadership and options for equity investment in lines have proven key to success in catalyzing this build out.

2. Indigenous-owned utilities: FNMPC's research for our paper [Indigenous Utilities: The Building of Indigenous-Owned Electrical Utilities in Canada](#) demonstrated that First Nations in Canada are increasingly considering, or putting into place, Indigenous-owned utilities for purposes such as energy sovereignty and own-source revenues. Over the coming decade, to help meet both its electrification demands and reconciliation commitments, Canada must support First Nations' interest in creating Indigenous-owned electrical utilities and wheeling access to transmission and future grids. Currently absent across most of the country's electricity landscape, Indigenous-owned electrical utilities would proactively keep Canada's electrification and reconciliation goals on track and become critical conduits to bring clean energy coast to coast to coast. More importantly, if done well and not unduly restricted, Indigenous-owned utilities will bolster Indigenous self-determination, nationhood and own-source revenues for First Nations. Since this first paper, FNMPC has commissioned additional research that demonstrates – from existing examples in the US and Canada – that Indigenous utility models can deliver broad benefits in service of clean energy, reconciliation, and self-determination objectives if the right policy environment is put in place. Please feel free to contact FNMPC for access to this additional research.

3. Clean baseload and refurbishments: It is a challenge in the electricity industry to come up with clean baseload energy and capacity projects that give reliable, firm winter energy. This also applies to refurbishments, particularly for hydroelectric projects. Canada's generation is still ~55% hydroelectricity (NRCan Energy Fact Book Spring 2026), but most of this comes from aging infrastructure. Many operators have deferred refurbishments, upgrades, and optimizations. Federal support for refurbishing and upgrading these existing assets is less visible than support for new builds but losing this generation would make the broader electrification challenge significantly harder. This is also a potential reconciliation opportunity: many of these assets were built decades ago without First Nations' consent or consideration, and federal support tied to refurbishment could create a mechanism for First Nations to benefit from assets built on Indigenous traditional lands and waters. Newer forms of hydroelectric development, including small hydro and pumped storage, could also be supported through this lens in relevant geographies.

Conclusion

Indigenous ownership of electricity infrastructure directly advances federal priorities under Powering Canada Strong, including affordability, reliability, emissions reduction, and reconciliation. Indigenous equity participation reduces project risk, accelerates timelines, and strengthens long-term system stability, outcomes that align with NRCan's mandate and Canada's commitment to UNDRIP implementation.

The tools that will matter are the ones that reach Nations early and at scale: capacity and equity funding before final investment decision, loan guarantees that backstop equity and not only debt, a dedicated First Nation Electrification Fund, ITCs to 2040, one steward for federal funding vehicles, and federal leadership on interprovincial transmission with First Nations as conveners and owners. We would welcome the chance to work through the design of these with your team.

Encl: Our email submitting this will include three of FNMPC's thought-leadership papers:

1. [National Indigenous Electrification Strategy](#)
2. ["It Is Our Time": Indigenous-Led Transmission Lines](#)
3. [Indigenous Utilities: The Building of Indigenous-Owned Electrical Utilities in Canada](#)

Each of these papers involved direct engagement with First Nations, expert input, and comprehensive literature review. We recommend your engagement team on Powering Canada Strong incorporate the recommendations and insights from these papers, all of which are directly relevant to the expansion of Canada's grid.

Please note that this submission does not represent the views of our First Nations members and does not equate to or substitute engagement, consultation, and consent with Rights-holding First Nations. All Rights holders and Nations should be engaged and consulted directly for input and decisions about policy, law, and future plans, projects, and programs and/or anything pertaining to their traditional lands and waters and in adherence with the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). The responses that follow are derived from the expertise and observations of FNMPC's team as well as with input from Dunskey Energy + Climate Advisors.

For further questions or clarification, please contact our FNMPC team:

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