Opportunities for First Nations-Owned Utilities in British Columbia

January 2026

Prepared, researched and written by Dunsky Energy + Climate Advisors for:

First Nations Major Projects Coalition

FIRST NATIONS MAJOR PROJECTS COALITION

About the First Nations Major Project Coalition (FNMPC)

The First Nations Major Projects Coalition (FNMPC) is a non-profit organization of 180+ First Nation members in ten provinces and two territories. With respect to major projects in Canada, FNMPC has a mandate to advance the economic and environmental interests of its membership, including through advocacy, thought leadership, capacity development, and project support. Currently, FNMPC staff are supporting members on more than a dozen projects across the country (e.g., designing governance frameworks, negotiating term sheets for equity partnership, advancing impact assessment activities). FNMPC also develops resources for the benefit of members, such as backgrounders explaining new policy developments and toolkits that members can use themselves in the field. These efforts are intended to support members in making informed decisions related to commercial and regulatory components of major projects impacting their lands and waters.

FNMPC is project and industry agnostic. Its operating principles include being member-driven, neutral, unbiased, value-maximizing, and collaborative. To ensure that FNMPC remains impartial, it does not take a financial stake in projects. All activities are undertaken with the sole intent of benefitting FNMPC's First Nation membership.

Introduction

What are the benefits from First Nations participating in electricity utilities in BC?

With capacity supports and changes to the policy environment in BC, First Nations in BC could lead First Nations-owned electrical utilities where benefits could accrue to the BC Government, BC Hydro, and First Nations. The First Nations Major Projects Coalition commissioned this study[1], upon which this summary report is based, to identify possible win-win-win scenarios for First Nations, the BC Government, and BC Hydro.

First Nations benefits:

Self Determination:

- Nation energy goals
- First Nation's customer service
- Project decision making

Economic:

- Own-source revenues
- Job opportunities
- Reliable electricity
- Affordable electricity

BC Government benefits:

- Reconciliation
- Economic development for First Nations
- Emissions reductions
- Affordable for people & businesses

BC Hydro benefits:

- Affordable electricity
- Reliable electricity
- Expanding customer base
- Expanding asset base

Photo Credit: *Frank Albrecht on UnSplash*

[1] This analysis was researched and written by Dunsky Energy + Climate Advisor with edits for clarity by the FNMPC.

Key Findings

Win-Win-Win Scenarios

Based on the value proposition assessment, five Indigenous utility models were identified as having high, moderate, or low alignment with the objectives of the three entities, as shown in the table.

Utility Types	Transmission Owner	Distribution Grid Owner	Microgrid Owner	*IPP selling to Grid	IPP with Wheeling
First Nations	Moderate	Moderate	Moderate	Moderate	Moderate
BC Government	High	Moderate	Low	High	High
BC Hydro	High	Low	Moderate	High	Moderate
Overall Score	**High**	**Low**	**Low**	**Moderate**	**Moderate**

*IPP means "Independent Power Producer".

» Recommendations

To realize the benefits of the Indigenous electrical utility models, the following next steps are recommended for each entity.

Lead	Recommended Next Steps
First Nations in BC	1. Assess options for new transmission lines with First Nation ownership and benefits. 2. Continue to identify opportunities for renewable electricity generation projects and engage partners to respond to BC Hydro's Call for Power and future procurements. 3. Survey First Nations regarding their interest in owning distribution grids and/or microgrids on-reserve/title/Treaty land. If there is interest, engage with the BC Government about amending Section 88 of the *BC Utilities Commission Act*. 4. Assess the business case for behind-the-meter microgrids by factoring in the rapidly dropping cost of batteries and solar panels, the clean energy grants and funding available in BC, and the true cost of diesel generation. If there is a business case, collaborate with other First Nations to explore options and build local capacity. 5. Study the potential economic stability achieved by First Nations from Indigenous utilities and the related long-term financial benefits to justify the expansion of federal and provincial support programs.

BC Government

1. Support First Nations governments and First Nations owned businesses in BC to continue the work described above in recommendations to First Nations in BC.

2. Explore options for First Nations ownership of new transmission lines in BC and interties.

3. Collaborate with First Nations to study the demand from large consumers for generation using wheeling. If there is demand, explore a pilot project, work with BC Hydro to study the grid upgrade costs needed to enable wheeling, and explore amendments to Direction 8.

4. Explore approaches to amending Section 88 of the *Utilities Commission Act* to enable First Nations distribution or microgrid ownership on-reserve/title/Treaty land.

5. Use the true cost of diesel generation when modeling the business case for transmission lines, microgrids, or other relevant projects.

6. Work with the federal government to increase funding for First Nation owned electrical utilities and generation projects.

BC Hydro

1. Initiate discussions with First Nations regarding ownership options for new transmission lines and interties.

2. Continue efforts to advance First Nation ownership of new electricity generation in future procurements (e.g., Calls for Power) and investments.

3. Support a market study to determine if there is demand from large consumers for generation projects using wheeling. If there is demand, explore a pilot project, work with the BC Government to study the grid upgrade costs needed to enable wheeling, and explore amendments to the Open Access Transmission Tariff such as adding a zonal rate structure and unbundled costs for grid support services.

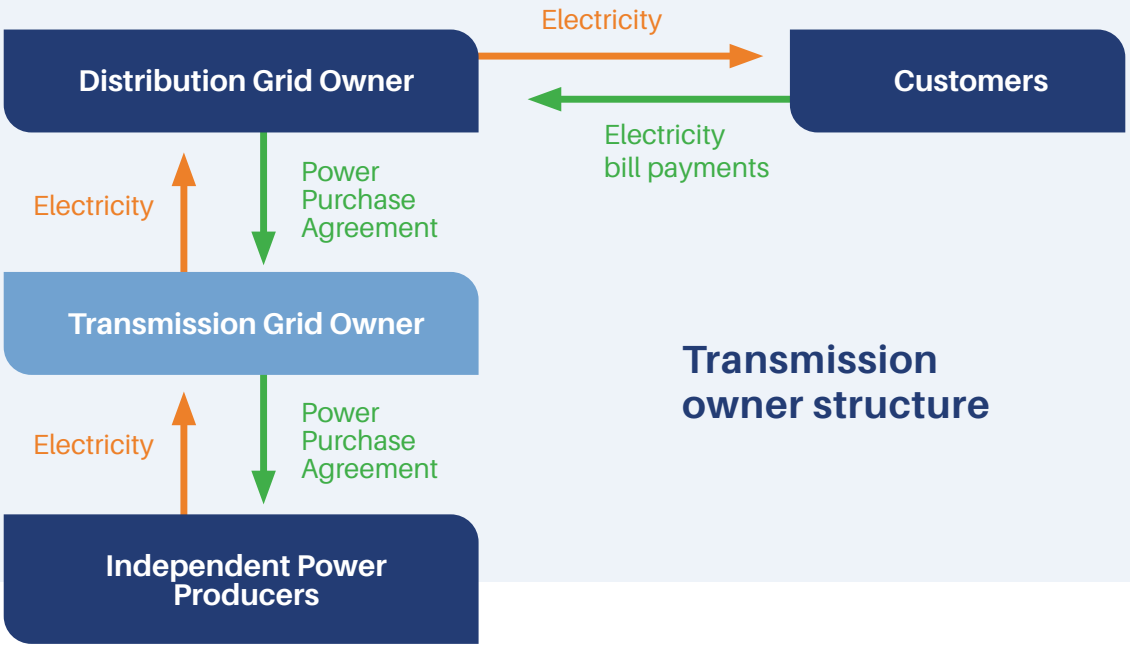
How is electricity currently provided in BC?

- BC Hydro, a provincial crown corporation, provides most electricity distribution, transmission, and generation services.
- BC Utilities Commission (BCUC) regulates BC Hydro and other utilities.
- In 2020, the Indigenous Utilities Regulation Inquiry, hosted by BCUC, identified many opportunities and challenges to Indigenous utility models. The recommendations have not yet been implemented.
- In 2019, the BC Government passed the Declaration on the Rights of Indigenous Peoples Act (DRIPA), which implemented the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) into Provincial law .
- 44 remote First Nations in BC are not grid-connected and mostly rely on diesel-generated electricity delivered by BC Hydro.

Indigenous Utility Models

We explored five existing Indigenous utility models by examining case studies, explained below.

1. Transmission Owner



Transmission owner structure

Defining Characteristics of a Transmission Owner

Main activity	Transmit electricity at high voltages (>60kV) between communities, typically hundreds of kilometres. May be to connect remote communities or load customers to the interconnected bulk grid.
Location	Between communities or customers. Transmission lines may be on or off reserve, title, or Treaty lands.
Governance	Licensed corporation, may be governed by the communities it serves.
Regulatory environment	Must be licensed and regulated by utilities commission and system operator.
Generation technology	Not applicable.
Partners	Contractual agreements with system operator (if applicable), distribution grid owner(s), and electricity providers such as Independent Power Producers.

Case Study of a Transmission Owner Model: **Five Nations Energy Inc.**[2]

Business Structure

- Five Nations Energy Inc. (FNEI) is a 100% Indigenous-owned, governed, and managed non-profit utility in Northern Ontario. It is owned by First Nations communities on the James Bay coast. FNEI has nine staff and manages 270km of transmission lines.

Vision and Initiation

- FNEI was founded in response to poor electricity service and environmental hazards caused by diesel generation in remote communities. The vision was to provide affordable, reliable, and clean electricity, while improving community access to fiber optic communications, healthcare and education. They are considering a reinvestment in solar energy to reduce electricity costs for residents.

Key Enabling Factors

- Political support at the provincial and federal levels, motivated by a strong business case to offset expensive diesel electricity generation and connect future industrial loads.
- $33M grant funding from Indian Affairs and $4.9M in 0% interest loans from Ontario.
- Community leadership, especially from women leaders on Council, who helped unify the communities around the project.
- The local distribution companies in the First Nations served by FNEI were all gifted their respective distribution infrastructure from Ontario Hydro.

Regulatory Environment

- FNEI receives payment for electricity transmission services from the Independent Electricity System Operator (IESO).
- It must comply with stringent electrical and safety standards set by the IESO, requiring training of staff.
- It does not have rate-setting authority – that is retained by the Ontario Energy Board.

Financial Success Elements

FNEI has achieved a debt-free status after 25 years of operation with financial success rooted in:

- Non-profit structure that prevents sell-outs and provides an exemption from income tax.
- Offsetting expensive diesel generation and supported by grants and low-interest loans.
- Strong community trust and governance, which attracted investment.

[2] Chilton, Pat. July 21, 2025. Interview with Dunsky Energy + Climate Advisor staff.

Map of the Transmission Lines Route of First Nations Energy Inc. in Ontario

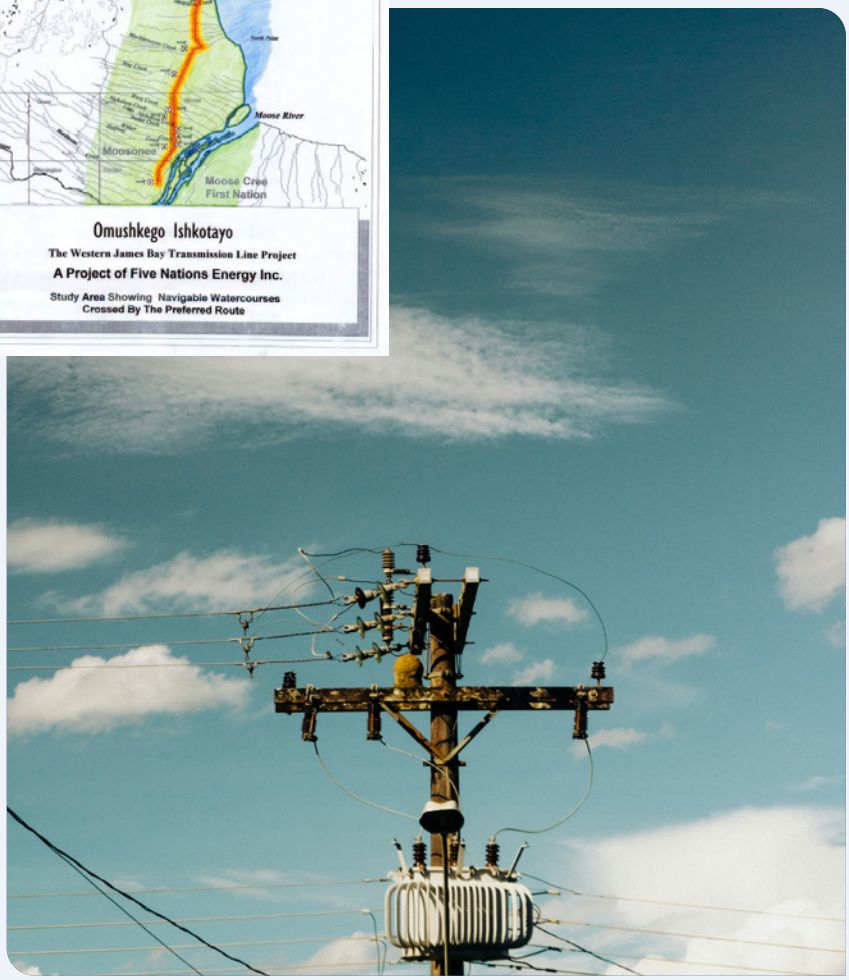
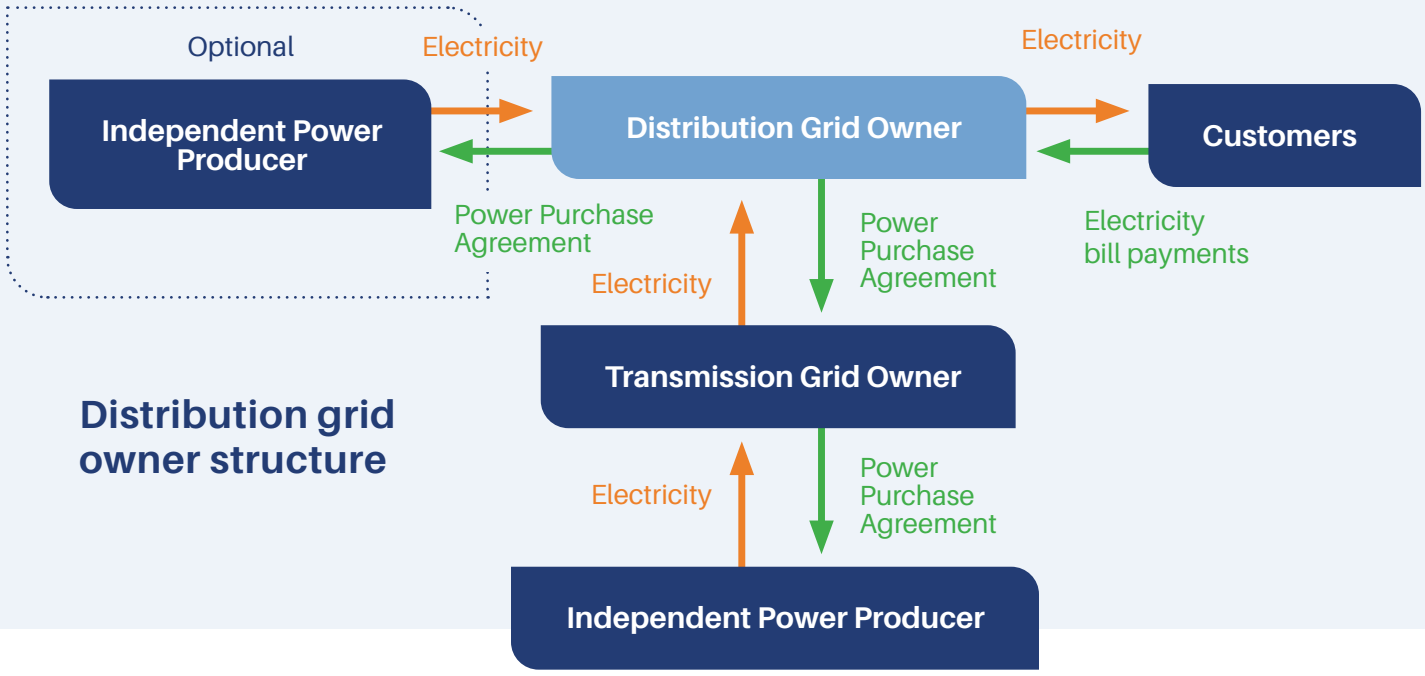


Photo Credit: *Lucas DeMoura on UnSplash*

2. Distribution Grid Owner



Distribution grid owner structure

Defining Characteristics of a Distribution Grid Owner

Main activity	Owns and operates distribution lines (<35kV) and has an interconnection agreement with the transmission grid. Typically provide customer billing services. May provide energy efficiency services.
Location	Low voltage wires connecting electricity customers in a community. Distribution lines are typically on reserve/treaty lands. If they extend off reserve/treaty lands, more detailed regulatory requirements apply.
Governance	Separate utility entity. May report to First Nation government. Must adhere to electrical safety requirements of the jurisdiction.
Regulatory environment	For on-reserve/treaty distribution grip owners, there are fewer regulatory requirements regarding rate-setting and investment approvals. For off-reserve distribution grid owners, operations may be overseen by a utility commission.
Generation technology	Not applicable.
Partners	Collaborates with the transmission grid owner. May procure from Independent Power Producers and may work with local agencies for energy efficiency and demand management services.

Case Study of a Distribution Grid Owner:
Gila River Indian Community Utility Authority (AZ)[3]

Business Structure

The Gila River Indian Community Utility Authority is a tribally owned and operated utility. They own 680km of distribution lines and operate 150km of transmission lines. The utility currently serves 13,000 residents and employs 40 staff. Today, the utility is financially self-sustaining with the lowest rates in Arizona.

Vision and Initiation

Initially, the utility was established to support local economic development, specifically to supply electricity to a new tribal development including casinos, malls, and business parks. It started with a small distribution network and, over time, expanded to the whole reserve.

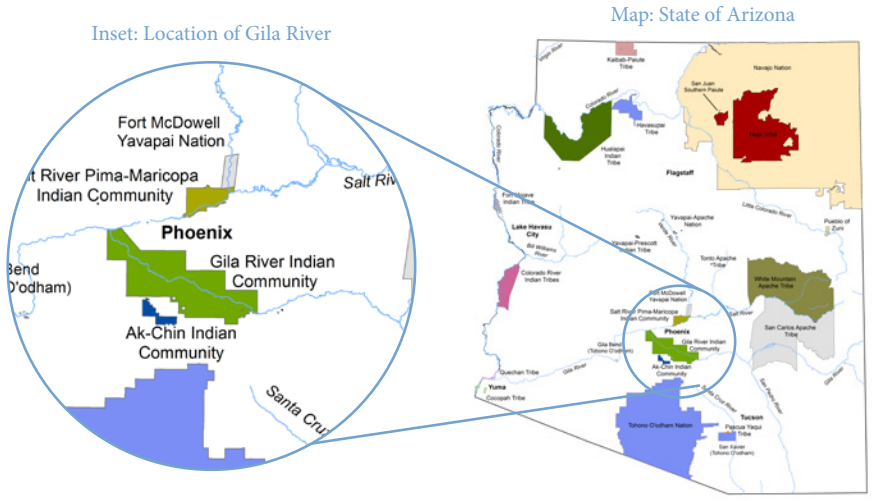
Regulatory Environment

The Gila River Utility Authority operates only on-reserve, thus is exempt from state regulations and may:

- Set its own rates.
- Control infrastructure development.
- Avoid regulatory overhead associated with serving off-reserve customers.

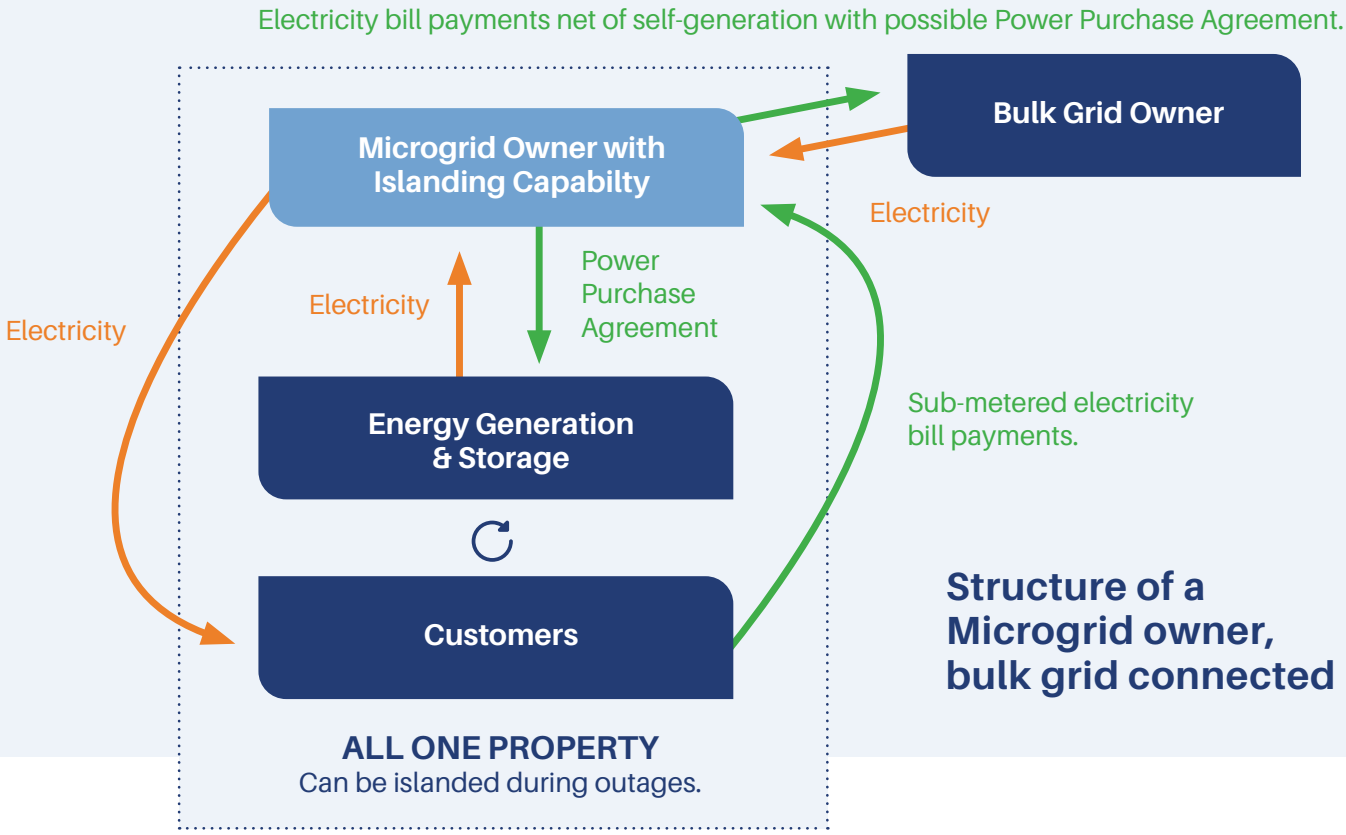
Financial Success Elements

- Strategic location near Phoenix, ensuring demand for their businesses which consume approximately 75% of the electricity the Gila River Utility Authority produces.
- Access to existing federal wires free of charge through a lease and operations contract with a replacement value of USD $186M in 2008. They are currently seeking a full transfer of federal electricity infrastructure to tribal ownership.
- A gradual takeover of operations including operations and maintenance, customer relations, and billing, allowed them to learn as they grew.
- Energy sales (approximately USD $38M/year) and wire operations and maintenance contracts (approximately USD $3M/year).
- Entitlement to 13 megawatts (MW) of federal hydro power and participation in a Joint Action Agency, enabling bulk power purchases.



[3] Stock, Ken. July 14, 2025. Interview with Dunsky Energy + Climate Advisor staff.

3. Microgrid, Bulk Grid-Connected



Structure of a Microgrid owner, bulk grid connected

Defining Characteristics of a Microgrid, Bulk Grid Connected

Main activity	Increases electricity reliability as the region or key facilities can be islanded during a bulk grid outage. Supplies electricity to the whole community from renewable sources during non-outage times, thereby reducing electricity costs and emissions.
Location	Typically in a small, remote community that is bulk grid connected but has frequent outages. Typically all on-reserve/title/Treaty land.
Governance	Managed by Council or Development Authority.
Regulatory environment	Distribution lines of the microgrid may be owned by the First Nation, enabling in-front-of-the-meter generation and storage technologies. Alternatively, the generation and storage assets may be behind-the-meter if all the buildings on the reserve/treaty are on one property and share one primary meter. In this case, ownership of the distribution lines is not necessary. Must meet technical islanding requirements.
Generation technology	Includes energy generation, battery storage, and advanced controls/switchgear. Sells electricity or storage services to the bulk grid during standard operations (when the system is not islanded).
Partners	Transmission grid owner would provide the electricity not met by on-site generation.

Case Study of a Microgrid, Bulk Grid Connected:
Blue Lake Rancheria Tribal Utility (California)[4]

Business Structure

Blue Lake Rancheria Tribal Utility has developed a microgrid system that operates similarly to a Tribal utility, though it is not an official "utility". By installing solar and battery equipment and a natural gas generator, they can both net meter and operate as a microgrid during outages on the bulk grid. The microgrid is managed by a team of three who work closely with the Schatz Energy Research Centre.[5]

Vision and Initiation

The microgrid was initiated with a clear vision centered on energy sovereignty and affordability, climate mitigation, economic diversification, disaster preparedness in response to frequent earthquakes and increasing wildfires and extreme storms, and electricity reliability for critical infrastructure and buildings.

Regulatory Environment

The regulatory landscape presented both challenges and opportunities:

- **Ownership of distribution grid:** The Tribal Nation purchased a small portion of PG&E's distribution lines at a nominal cost, enabling them to control electricity distribution on reservation. Given that reservation land is all one property, a formal utility structure was not needed to transfer electricity across property boundaries.
- **Behind-the-meter configuration:** This structure allowed the Tribal Nation to avoid complex regulations, as all generation assets are behind one primary meter for the whole reservation.
- **Export limitations:** Under Electric Rule 21 of the California Public Utilities Commission,[6] they are prevented from pushing >100kW onto the grid.

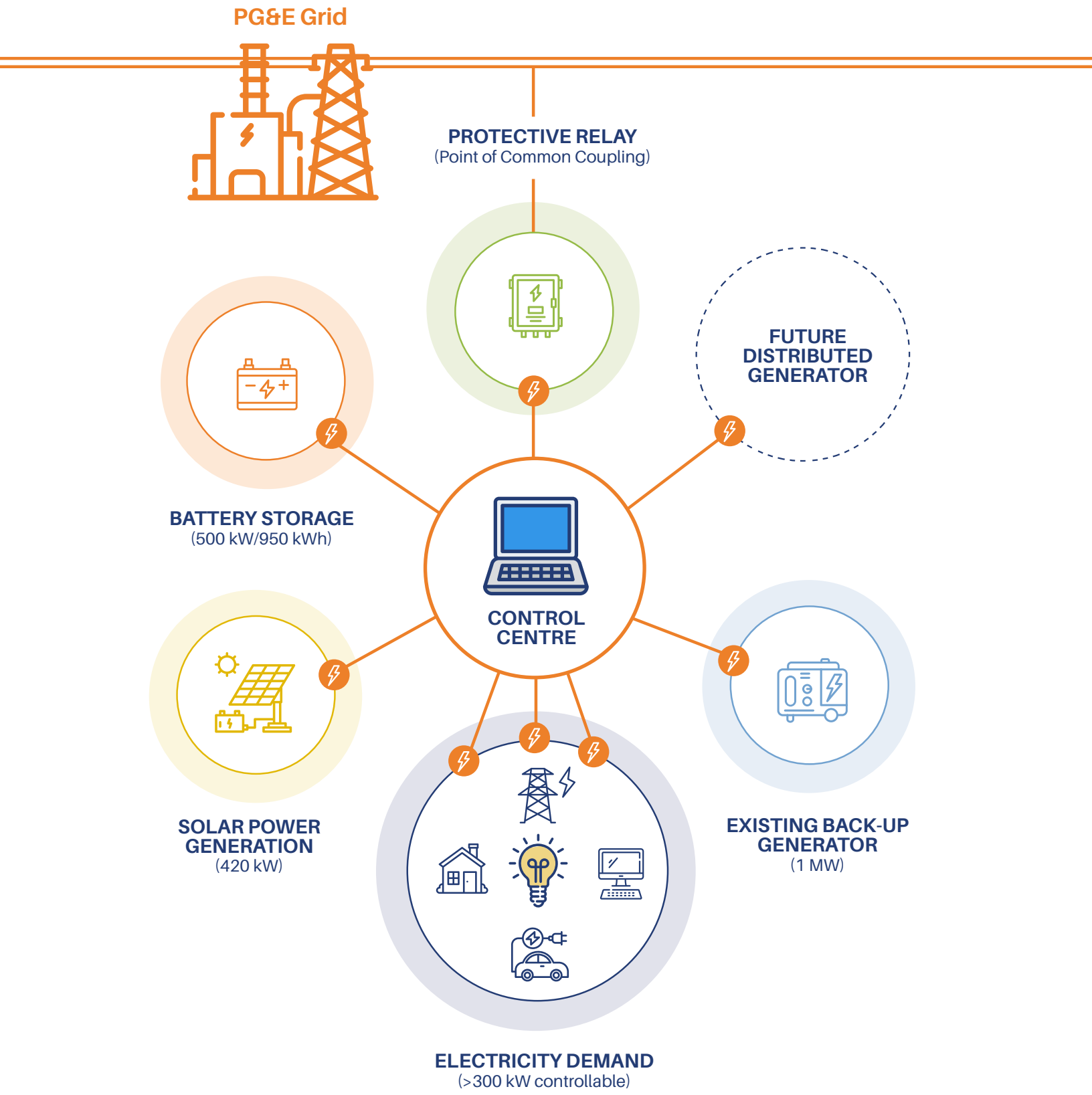
Financial Success Elements

Several financial mechanisms contributed to the project's viability:

- **Cost avoidance:** Offsetting California's expensive retail electricity rates, which is more valuable than wholesale electricity sales.
- **Grants:** California Energy Commission provided a USD $5M grant and the Schatz centre provided free engineering support.
- **Low-interest financing:** 1% State loans for clean energy projects.
- **Incentives:** Solar and battery incentive programs.
- **Resource availability:** High solar irradiance.
- **Future revenue potential:** They are exploring future sales through the Feed-In Tariff[7], selling grid support services, and consulting.

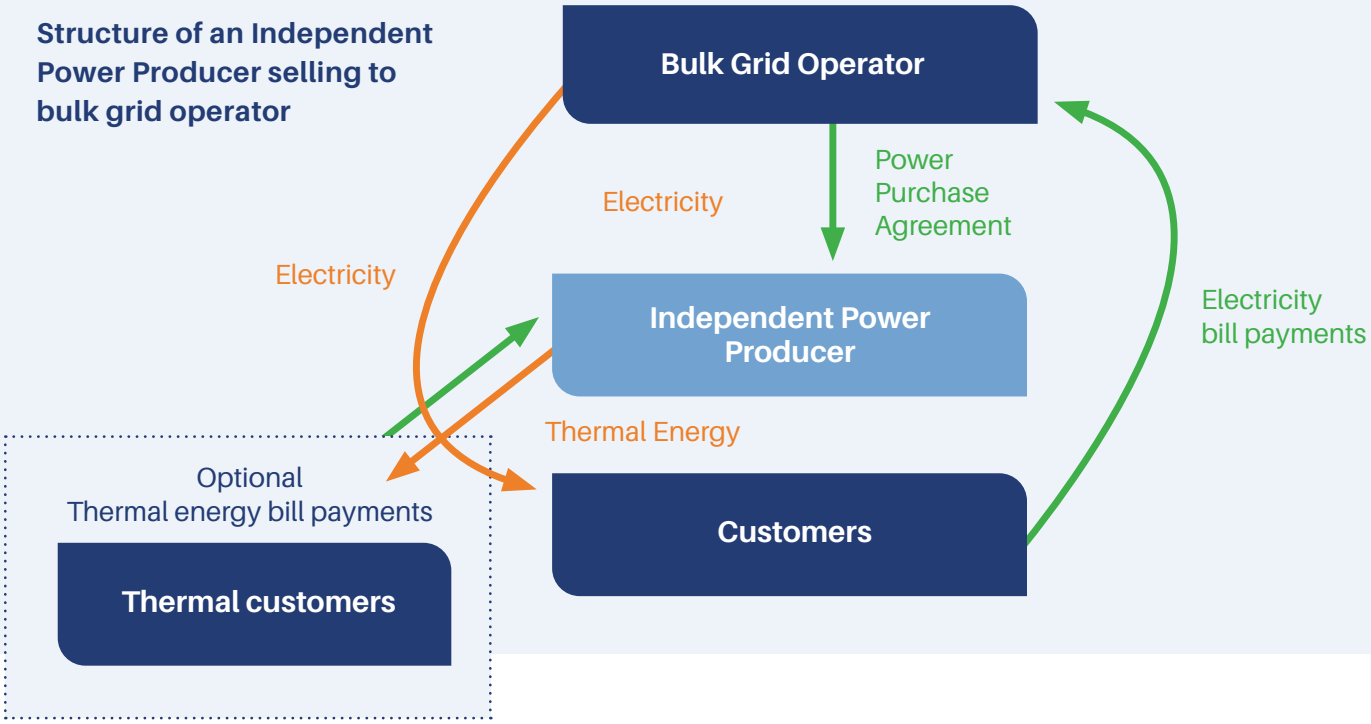
[4] Marshall, Matthew. July 31, 2025. Interview with Dunsky Energy + Climate Advisor staff.
[5] Schatz Energy Research Center. Blue Lake Rancheria Microgrid. Accessed September 23, 2025. https://schatzcenter.org/blrmicrogrid/.
[6] PG&E. 2025. ELEC_RULES_21. Accessed Oct 2, 2025.
[7] Feed-in-Tariffs: an economic policy to promote investment in renewable energy by guaranteeing certain minimum prices that ensure a reasonable profit can be made under long-term contracts.

Blue Lake Rancheria Microgrid



4. Independent Power Producer selling to Grid Operator

Structure of an Independent Power Producer selling to bulk grid operator



Defining Characteristics of an Independent Power Producer Selling Electricity to Grid Operator

Main activity	To develop and operate financially viable renewable electricity generation projects and sell electricity to BC Hydro through Calls for Power.
Location	Connected to a transmission line. Located where there is renewable resource potential. Set back from buildings and meeting other requirements as defined by the relevant permitting bodies. Can be either on or off reserve/title/Treaty land.
Governance	Owned fully by a First Nation or Development Authority.
Regulatory environment	Requires a power purchase agreement and interconnection arrangement with the interconnected bulk grid operator. In BC, the 2025 Call for Power includes a 25% minimum equity stake for First Nations, with additional benefit for ownership up to 51%.
Generation technology	Electricity generation technology such as wind, solar, biomass, hydroelectric, etc. May also offer additional services such as electricity storage or thermal energy.
Partners	Landowner(s) to lease/purchase land. Grid operators for grid connections. Utility regulator for procurement pathways. Local government to approve permits. Development, engineering, and equipment providers for design and construction.

Case Study of an Independent Power Producer selling to Grid Operator:

Piikani Wind Project[8]

Business Structure

The Piikani Wind Project is a First Nation-led renewable energy initiative located in Alberta. The project is still in development phase, hence, the full governance structure remains to be defined.

Vision and Initiation

The project was initiated in 2021 by the Piikani Nation with goals of economic development, job creation, energy sovereignty, local infrastructure improvements, and cultural revitalization, including language and music preservation. The Piikani Nation is surrounded by wind farms and saw the opportunity to develop their own project. They already own 51% of a transmission line crossing their land, giving them foundational experience in energy infrastructure and revenues to reinvest.

Regulatory Environment

- Federal land jurisdiction, which exempts the project from certain provincial regulations. Instead, they work with Indigenous Services Canada on custom environmental assessments and health and safety compliance processes.
- Must meet technical interconnection standards (voltage, harmonics, frequency, etc.).

Financial Success Elements

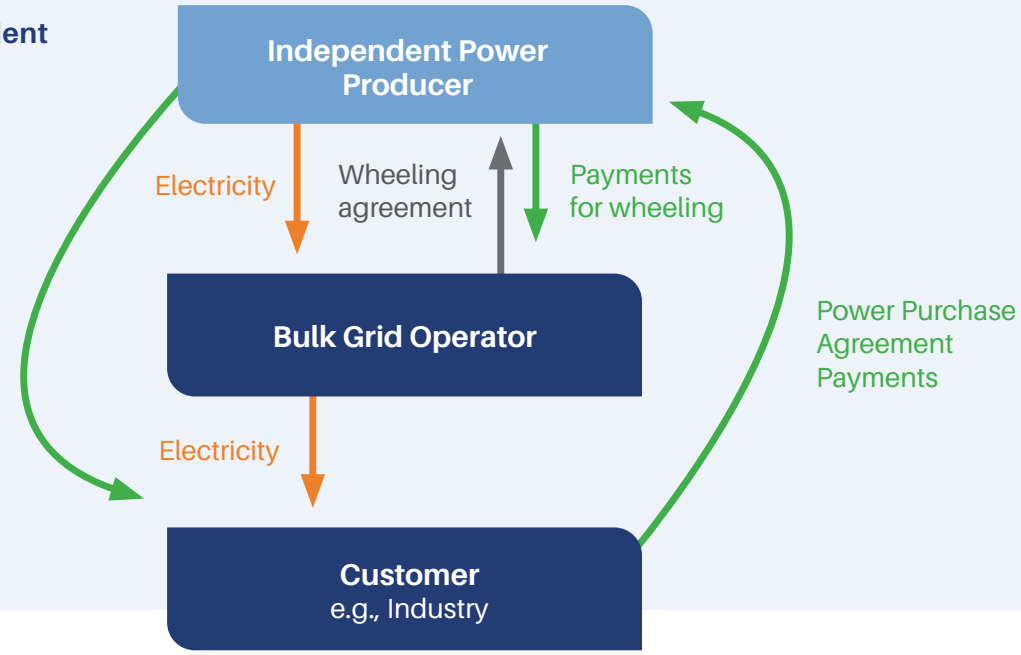
- Grant funding from the Government of Canada (Smart Renewables and Electrification Pathways Program (SREP) - $2.7M.
- Electricity will be sold via an interconnection agreement with Alberta Electric System Operator. They may also explore an off-take agreement with the local Rural Electrification Association to provide electricity to Piikani Nation.
- Financing mechanisms are anticipated to be leveraged to support First Nation ownership.

Photo Credit: *Rabih Shasha on UnSplash*

[8] McGarrigle, Paula. August 7, 2025. Interview with Dunsky Energy + Climate Advisors staff.

5. Independent Power Producer with Wheeling

Structure of an Independent Power Producer with wheeling agreement



Defining Characteristics of an IPP with Wheeling Agreement

Main activity	Providing long-term electricity sales to large demand customer by wheeling it over the existing transmission or distribution lines.
Location	Connected to a transmission line. Located where there is sufficient renewable resource potential. Near or co-location of demand possible but not required. Can be either on or off reserve/title/Treaty lands.
Governance	Often owned fully or in part by a First Nation Economic Development Corporation.
Regulatory environment	Requires an option to secure an interconnection agreement with the transmission grid owner and a power purchase agreement with a private customer.
Generation technology	Electricity generation technology such as wind, solar, biomass, hydroelectric, etc. May also offer additional services such as electricity storage or thermal energy.
Partners	Grid operator to approve connection. Landowner(s) to lease/sell land. Utility regulator to define wheeling arrangement. Local government to approve land use and building permits.

Case Study of an Independent Power Producer with Wheeling: **Wicehtowak Solar Project**

Business Structure

The 32.4 MW solar project is 100% owned by the George Gordon First Nation and located on a fee-simple parcel of their traditional land. The electricity and environmental attributes will all be purchased by K+S Potash Canada for 30 years for their existing mine 3 kilometres away. The project is expected to result in 28,000 tonnes CO_2 /yr of avoided emissions.

Vision and Initiation

- K+S has a long history of collaboration with George Gordon First Nation and offered to sell them 160 acres of pre-disturbed land.
- K+S aims to reduce emissions, supported by the federal industrial carbon price.
- SaskPower created the Renewable Access Service pilot program.

Regulatory Environment

This project encouraged the creation of SaskPower's Renewable Access Service program.

Financial Success Elements

The $84M project is expected to generate 62,980 MWh of clean electricity annually[9]. Key financial elements include:

- Federal government included a $33M grant from SREP, $432,400 from Indigenous Services Canada's Strategic Partnerships Initiative and Community Opportunity Readiness Programs[10].
- Canada Infrastructure Bank provided a $42M loan and Saskatchewan provided a $7M loan guarantee[11].
- SaskPower waived the Open Access Transmission Tariff, considering how close the mine was to the solar project.

[9] George Gordon First Nation. 2025. Wicehtowak Solar Flyer.
[10] Capkun, Anthony. "Wicehtowak Solar Project Secures $33 M Federal Funding, $7 M Loan Guarantee." *Electrical Business Magazine*, 27 Aug. 2025. Accessed 30 Oct. 2025.
[11] Government of Saskatchewan. 2025. SIIFC Supporting New Wicehtowak Solar Project. Accessed September 10, 2025.

Common Themes Across the Five Utility Models

Scale of Investment & Job Opportunities

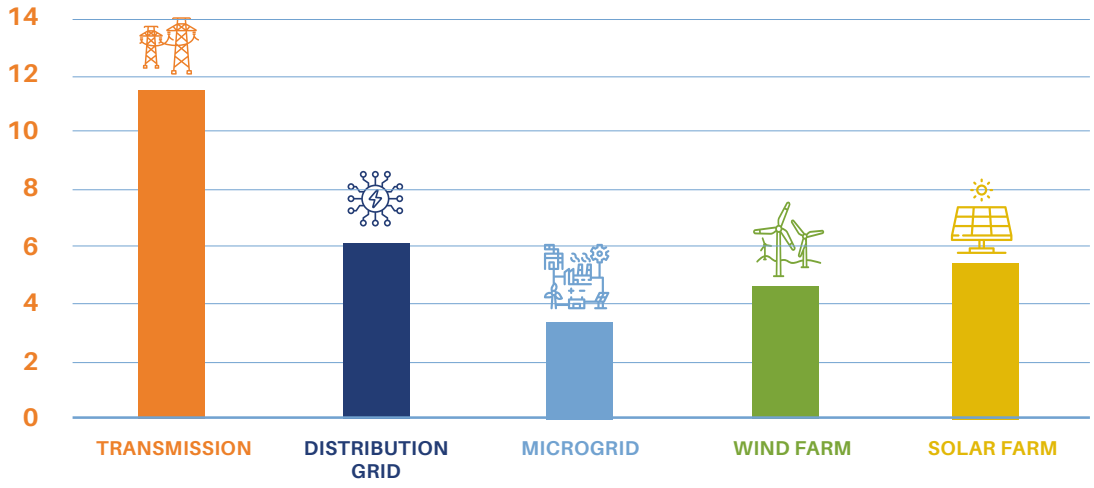
The scale of the capital investment required for each of the Indigenous utility models is different for each utility model.

Scale of Capital Cost based on Case Study Project Size

Utility model	Approximate cost, based on the scale of the case study (in CAD $2025)
Transmission line	Low billions for approximately 250km of transmission lines.
Distribution grid	Low tens of millions, assuming a town of approximately 15,000 residents.[12]
Microgrid	Low millions, assuming a town of less than 100 residents.
IPP for BC Hydro	Approximately half a billion dollars, assuming a 150MW wind farm.
IPP with wheeling	Assuming a 30MW solar farm, the cost would be high tens of millions.

The potential job creation opportunities vary under for each model.[13, 14, 15, 16] As a result, the predominant economic benefit to the First Nation is a result of returns on investment.

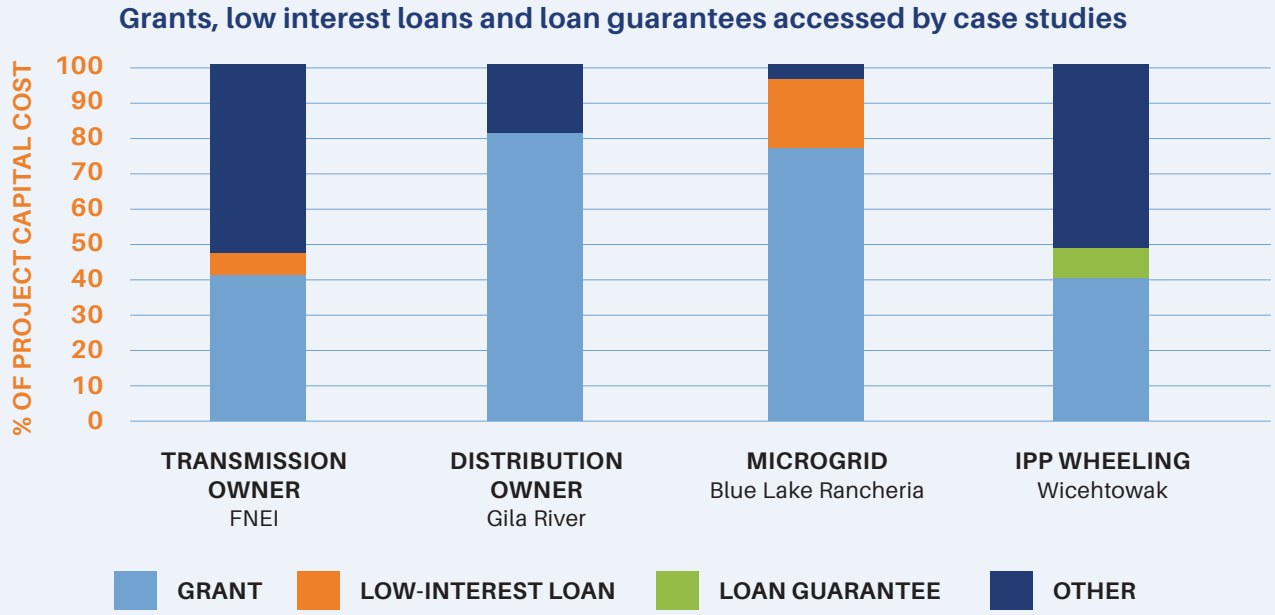
Direct jobs created per $1M invested



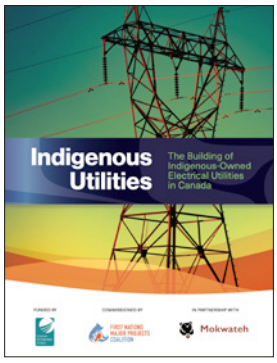
[12] Distribution grids already exist in most towns, so unless the grid is for a new development, the capital cost would be to purchase an existing grid.
[13] Clean Energy Grid. "Transmission and Jobs." Accessed September 23, 2025. Transmission and Jobs
[14] Atkinson, Robert D. "The Time Is Now for Federal Investment in Grid Modernization." *Information Technology and Innovation Foundation*, July 2, 2020. The Time Is Now for Federal Investment in Grid Modernization | ITIF
[15] Climate Smart Infrastructure Working Group. *Climate Smart Infrastructure: Recommendations for a Clean Energy Economy*. November 16, 2021. https://static1.squarespace.com/static/5472abbae4b0859145039552/t/6193d0e801c64e39c1662e1d/1637077225523/CSI+Final+Report_FINAL+%2811-16-21%29.pdf
[16] Peltier, Garrett. *Job Creation for Investment in Energy Efficiency, Renewable Energy, and the Electric Grid*. Accessed September 23, 2025. https://adpartners.org/tables/Job_Creation_for_Investment_-_Garrett-Peltier.pdf

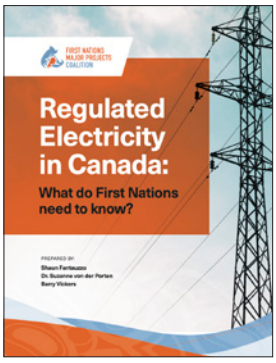
Access to Funding and Financing

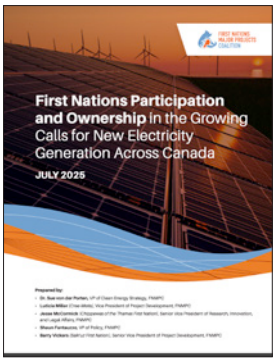
All the completed case studies received 40% or more grant funding and low interest loans or loan guarantees from public sources, which was critical to their success.[17]



» Recommended Reading







- National Indigenous Electrification Strategy: Strategy to Accelerate Indigenous Ownership of Net Zero Infrastructure in Canada
- Indigenous Utilities: The Building of Indigenous-Owned Electrical Utilities in Canada
- Regulated Electricity in Canada: What do First Nations need to know?
- First Nations Participation and Ownership in the Growing Calls for New Electricity Generation Across Canada

[17] Note, the Piikani project has not yet been developed, so it has been omitted from the graph as the final funding arrangement is not yet known.

9TH ANNUAL FNMPC CONFERENCE

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