

Responsible Energy Resource Development in Canada

Summary of the Dialogue of the Charrette on Energy,
Environment and Aboriginal Issues

December 2013

The Charrette on Energy, Environment and Aboriginal Issues

The Charrette on Energy, Environment and Aboriginal Issues met on five occasions over the period December 2012 to September 2013 for a frank and open discussion of energy resource development in Canada with a focus on Aboriginal and environmental issues. Participants were invited as individuals rather than as representatives of organizations. Many have several relevant affiliations. One is provided for reference.

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The work of the Charrette on Energy, Environment and Aboriginal Issues was coordinated by Paul Griss. This summary of the Charrette's discussions was prepared by Paul Griss with additional input from Michael Cleland, Dan George and Ed Whittingham.

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A. Why We Came Together

We are a diverse group of Canadians drawn broadly from the energy, environmental, Aboriginal, finance and public policy communities across Canada. We begin from the premise that energy resource development in Canada must be based on shared values, shared benefits, trust, and mutual respect. We speak to the entire suite of primary energy systems in Canada, including renewable and non-renewable sources, and the distribution of energy (which includes the long-term provision of clean, reliable and affordable energy to Canadians as well as the production of energy for export).

We believe that the responsible development of our energy resources presents a substantial opportunity for Canada; however, virtually all proposed energy resource developments are mired in conflict which threatens that opportunity. We sense a growing frustration with this situation among industry, Aboriginal peoples, the environmental community and Canadians at large. We believe that we are all here to stay and it is imperative that we identify and build on the common ground that exists among us — or the current and future benefits that accrue to Canadians from all forms of energy resource development will be at risk.

Our desire is to change the substance, nature and tone of debates over energy resource development in Canada. We are inspired by the increasing number of innovative approaches being employed across Canada to avert or resolve conflicts or share benefits. Many of these are created outside of the regulatory process by people of goodwill who are trying to secure mutual benefits from energy resource development. It is these types of initiatives which we hope will define the future of energy resource development in Canada.

We recognize that all governments, including those of First Nations and other Aboriginal peoples of Canada, are the primary policy makers for energy resource development. We believe that building common ground on energy resource development will benefit all governments as it will lead to better policy, greater overall benefits and broader public support.

We begin the report of our deliberations by defining the problems that have brought us together and the consequences for Canada if these problems are not resolved. We then reflect on the value systems of participants in the Charrette and how our interests may be reconciled. From that, we submit a set of principles for responsible energy resource development that flow from our values. Our desire is to open a broader dialogue about these principles and their application. We therefore conclude with suggestions of areas in which wider engagement and continued discussion may help translate our principles into action.

The topic of energy resource development is broad and complex and this document should be read and understood in its entirety as we have attempted to avoid repetition. Use of one part in isolation could significantly misrepresent the common ground we have established.

B. The Emerging Problem: Energy Resource Development Gridlock

Canada's energy system is or has been beset by numerous conflicts across a spectrum of issues such as:

- unconventional hydrocarbons (e.g., oil sands in Alberta, shale gas in Québec and New Brunswick)
- construction or repurposing of pipelines (e.g., Keystone XL, Gateway, Line 9)
- transmission line routes (e.g., Manitoba Hydro's Bipole III)
- siting of power plants (e.g., TransCanada Energy's gas-fired plant in Oakville)
- the development of renewable energy sources (e.g., run-of-river projects in British Columbia, wind farms in Ontario and biomass plants in Nova Scotia)

These conflicts tend to be around environmental or social issues, with Aboriginal communities often being particularly affected. We believe that such conflicts over energy resource development in Canada arise from:

- lack of a shared vision
- conflicting values that may be difficult to reconcile
- differing concerns about the impacts of energy resource development
- differing views on how the benefits and risks of energy resource development should be distributed
- difficulty in obtaining and agreeing on what is credible data and information
- differing interpretations of the facts that do exist
- an absence of trust amongst parties
- approaches to development that often foster confrontation

Regional and local interests may also conflict with developments that may be viewed by others to be in the interests of Canada as a whole. The risks and costs to be assumed and borne by local or Aboriginal communities may far outweigh the benefits they expect to realize from those developments.

This is leading us towards *energy resource development gridlock*. This could compromise Canada's ability to sustain or enhance the economic and social benefits from its wealth of energy resources as well as our ability to effectively address the associated environmental and social costs. Gridlock will also impede progress on pressing issues that need to be dealt with by industry, Aboriginal peoples and the environmental community.

B.1 Acknowledging the Elephants in the Room

We recognize the systemic issues that are leading to the conflict and erosion of trust associated with energy resource development gridlock — principally issues related to regulatory authority, scope and capacity; protection of Aboriginal rights; and a meaningful Canadian approach to addressing climate change. These are ongoing. They have been with us for decades and are unlikely to be fully resolved in the short term. Although these are urgent and substantive issues that must continue to be addressed we do not believe they are an excuse for inaction and they must not be allowed to paralyze the country. We acknowledge different views on these issues as summarized below.

Regulatory Processes

We value a robust and stable regulatory system. Canada has one of the best regulatory systems in the world, but the number of energy resource developments is increasing at a time when all levels of government face constraints on human and financial resources. Many governments are revamping policies and legislation and streamlining regulatory processes within and between governments in order to make these processes more efficient. Industry generally supports a streamlined process and a “single window” approach to regulation. Environmental groups however believe the pace of growth of energy resource development has outstripped the capacity of Canada's regulatory systems, and that streamlining will accelerate a process that they already feel is moving too fast and is not equipped to address issues of concern to them.

Aboriginal Rights

While we agree that the benefits of energy resource development should be shared with affected Aboriginal communities, the issue of resource revenue-sharing with First Nations is more controversial. Many First Nations believe resource rents accruing to provincial governments should accrue to some degree directly to First Nations who claim title to the lands on which the resources are located. An alternative perspective is that such rents should accrue to all the people of a province and that their distribution through normal provincial mechanisms will produce outcomes that are more equitable including with respect to those Aboriginal communities whose lands are not endowed with energy resources.

“For Canada to realize its full economic potential with respect to the development of our vast resources and potential wealth, First Nations must be directly involved in joint planning and decision-making, and receive equitable benefits from both the public government and from industry.”

— *Dave Porter, CEO, BC First Nations Energy and Mining Council*

Climate Change

From an environmental standpoint, most Canadian climate scientists believe that climate change is the most significant challenge we face and that the social, environmental and economic impacts far outweigh the benefits of carbon-intensive energy resource development.

There is a pressing need for a credible and substantive commitment to reduce Canada's carbon footprint. In the absence of such a commitment, each new project will become a proxy for the broader policy debate that goes beyond the narrowly defined contributions of the project. One approach to reducing greenhouse gas emissions is for governments to put a significant price on carbon broadly across the economy with strong complementary regulations and public investments. An alternative approach is to direct revenues from a price on carbon to a dedicated fund that can support greenhouse gas emission reductions through technology development and offsets. Others believe that the competitiveness of Canadian industry could be threatened if the price placed on carbon is inappropriate, given that we have an energy-intensive resource-based economy and consumers that are highly resistant to energy cost increases.

"Efficient and wise use of resources through community energy plans and putting an economy-wide price on carbon should both be part of a robust Canadian energy strategy."

— Ken Ogilvie, Vice Chair, Quality Urban Energy Systems of Tomorrow (QUEST)

We strongly believe that we need to seek opportunities to make meaningful progress within this complex and evolving context.

B.2 Consequences of Energy Resource Development Gridlock

Energy resource development gridlock has stalemated all parties from pursuing their interests, resulting in frustration and an increasing sense of urgency.

Industry is losing access to capital and markets. Ongoing conflict means that all producers of electricity, natural gas and oil, including cleaner energy projects, face delay, greater risk and uncertainty and higher costs affecting competitiveness. It also hinders access to markets which may, for example, result in much of Canada's massive oil and gas resources becoming landlocked while competitors, perhaps with weaker environmental controls, capture the opportunities. Without timely access to capital and markets, energy resource development will be delayed or may not even take place. Canada will be less able to deliver affordable, reliable and relatively cleaner energy to Canadians. All levels of government stand to lose current and future revenues, which will affect infrastructure and social, health, educational and other programs for all Canadians.

"The risk is not only not realizing the potential of energy resource development but substantially decreasing the current economic contribution of the energy industry across Canada."

— Brian Felesky, Vice-Chairman, Credit-Suisse Securities Canada

Aboriginal peoples and local communities are losing social and economic opportunities.

Much energy resource development occurs in parts of Canada where there are few other economic opportunities. It can thus be a significant contributor to community sustainability, especially of Aboriginal communities, but only if the associated social and environmental risks can be addressed. At present, many Aboriginal peoples are leaving their traditional lands. The

provision of education, training and employment opportunities can help strengthen these communities and assist in maintaining the cultural continuity of Aboriginal peoples.

Environmentalists are losing opportunities to transition Canada to low-carbon energy.

Mitigating greenhouse gas emissions requires that new energy resource developments include the development and application of technologies that lead to real reductions and can, in turn, be deployed more broadly. Energy resource development gridlock also hinders discussion of the shape and size of Canada's energy industry as it moves to lower carbon energy sources.

We believe that continuing gridlock is in no-one's best interest. To capitalize on the opportunities we need to break historical patterns and find innovative ways of moving forward.

“The question of how do we realize the maximum value from energy resources leads to a more productive discourse than arguing over symptoms of the problem such as pipelines.”

— *Gordon Lambert, Executive Advisor, Sustainability and Innovation, Suncor Energy*

C. A New Approach: Our Value Proposition

Public support is essential for any energy resource development to succeed. The current uncertainty calls for new ways of thinking and of approaching issues associated with energy resource development to generate that public support. The opportunity before us has the potential to be transformational for Canada. The economic benefits from responsible energy resource development could lead to significant social and environmental improvements.

A more positive and constructive approach requires mutual acceptance of the values and circumstances of all of those with an interest in energy resource development. The energy resource development dialogue needs to change to **what is in it for “we”**.

We must find ways to reconcile real and potentially conflicting interests (see box). We firmly believe that much common ground exists among our interests. There is a need to make these areas of intersection evident and to build on them. We need to create space for difficult conversations and face the challenges directly and collectively.

We believe:

- There is a common desire for a stable economy and healthy environment amongst industry, Aboriginal peoples, local communities and the environmental community.
- The values of industry, local communities, Aboriginal peoples and the environmental community are all important and deserving of respect.

Reconciling Our Interests

Participants in the Charrette on Energy, Environment and Aboriginal Issues expressed the following objectives with respect to energy resource development.

Industry seeks:

- social license to operate
- access to capital at competitive costs
- access to high value markets to maximize economic returns
- timeliness, certainty and stability in decision-making processes
- a competitive cost structure

Aboriginal peoples seek:

- recognition and affirmation of Treaty and Aboriginal rights
- free, prior and informed consent before development approvals are granted
- participation in land use planning and shared decision-making
- an equitable share of the economic benefits derived from energy resource development
- the capacity to enhance infrastructure in impacted communities

Environmentalists seek:

- a scientifically credible plan for mitigating Canada’s greenhouse gas emissions
- swift and concrete actions for transitioning Canada to low carbon energy
- to enhance the capacity of Canada’s regulatory systems to address all aspects of energy resource development
- to scale down the pace of growth of *unsustainable* energy resource development

- The focus of debate needs to shift to a common understanding of “why” we are developing energy resources (“what” **we** do and “how” **we** do it will flow from that).
- We must maximize the social, economic and environmental benefits of energy resource development.
- The benefits to be had are contingent on developments being viable (meaning that they must provide adequate returns to investors in competitive energy markets or are acceptably priced in regulated markets).
- Environmental protection and the needs of Aboriginal peoples and local communities are part of the value proposition, not constraints on it.
- The scale and complexity of the issues demand effective mechanisms for people to be able to communicate in a meaningful and respectful manner.

“Canada needs to regain its ability to have genuine discussions and challenge ourselves to address issues collectively and constructively.”

— *Marlo Reynolds, Vice-President, Market Development,
BluEarth Renewables*

D. A Path Forward: Principles for Responsible Energy Resource Development

We believe the value proposition for energy resource development speaks to all Canadians. It seeks to maximize economic and social benefits while minimizing environmental impacts and social costs. The value proposition requires parties impacted by an energy resource development to work together collaboratively. It is based upon the development of trust and functional relationships which is underpinned by the four pillars listed below. These four pillars are elaborated in the principles that follow.

Pillar #1: Forging and Nurturing Constructive Relationships

We must develop meaningful, long-term relationships among those affected by energy resource development based on effective communications and mutual respect.

Meaningful relationships take time to build and nurture, particularly where values and interests may conflict. The importance of starting early in establishing these relationships cannot be overstated. Time must be taken to truly understand who is affected by energy resource developments and to listen to their issues, needs and aspirations. This process must begin before the formal submission of an application for a new energy resource development.

1.1 Aboriginal peoples, local communities and environmental interests are integral to the value proposition for energy resource development.

Addressing the concerns of Aboriginal peoples, local communities and environmental interests is a business imperative not a business impediment. Sufficient time and resources must be committed by all parties to establish positive relationships, build capacity to fully understand the issues, harmonize values, integrate approaches and align goals for mutual benefit. Industry, investors, Aboriginal peoples, communities and environmental interests need to work together to find creative solutions to energy resource development challenges.

1.2 The development of energy resources should not compromise the rights and titles, laws, policies and approach to governing land of Aboriginal peoples.

Future energy resource development on lands claimed by Aboriginal people is unlikely to proceed unless the Aboriginal people affected are fully involved in the development of the project. As referenced above in Section C, Aboriginal people assert that their free, prior and informed consent to development is required. Circumstances differ across Canada and the practical application of this objective may vary, but development is much more likely to succeed if project proponents do their utmost to secure the free prior and informed consent of Aboriginal peoples while recognizing that this principle does not in itself imply a right of veto. Further, in attempting to secure the consent of affected Aboriginal peoples, proponents need to engage with elders, First Nations governments and administrative bodies, and the communities at large.

1.3 The development of energy resources must be respectful of the differing decision-making processes and time horizons of those affected.

All parties will approach projects from different temporal perspectives that influence their decision-making. Proponents of energy resource development are influenced by business cycles, market opportunities and the need to secure a competitive return on capital investment. Aboriginal peoples will be influenced by cultural and generational considerations, their intimate connection to the land and their own governance processes. Local communities will consider long-term economic benefits and social stability. The environmental community will place the project in the context of the cumulative environmental effects over time, taking into account all activities on the landscape. Each has a different perspective on “timeliness” in decision-making. A key component of meaningful relationships is an understanding of and respect for the circumstances of each party.

1.4 The capacity of all partners to engage meaningfully must be nurtured and developed.

Capacity refers to the ability of people or entities to engage effectively in decision-making processes. This may be impacted by language or cultural barriers, access to and understanding of technical information, time constraints or fiscal resources. All parties will engage at different levels, at different times, and in different areas, but all require sufficient information and the ability to understand the issues and build trust with other parties. When those impacted must deal with multiple developments on a project-by-project basis, such capacity and the ability to build consensus is further strained. In order to work together on solutions, frameworks need to be put in place to enable all parties to contribute equitably.

1.5 Reciprocal accountability mechanisms must be established to demonstrate that partnerships are effective and that energy resource development in Canada is adhering to the highest possible standards.

Partnerships come with risks as well as benefits. If industry, Aboriginal peoples, local communities and environmental organizations are to work together, then trust must be established through a variety of means, which include being held accountable to each other for fulfilling commitments. Accountability needs to be applied on two levels. All parties must follow through on what they say they will do. As well, the energy resource development itself must be designed to achieve the desired social, economic and environmental performance objectives and evaluated accordingly.

Pillar #2: Reducing Cumulative Social and Environmental Impacts

The risks and cumulative social and environmental effects of all industrial development in a region must be identified, minimized and mitigated.

Most energy resource developments are assessed on a project-by-project basis. This means that each project becomes a lightning rod for all the issues that affect the region in which it is located. As regulatory standards applied to projects increase over time, it also means that a later entrant may be held to a higher level of performance than one that is already established. Further, the scope of impacts of an energy resource development project goes well beyond local effects. All parties need to understand the broader footprint of the project (for example, development of a new hydrocarbon resource could lead to increased marine tanker traffic).

2.1 Energy resource development in Canada must adhere to the highest environmental standards in the world.

Canada has long viewed itself to be a leader in the area of environmental protection; thus, the development of Canada's energy resources should be held to the highest of standards. Protecting air, land, water and biodiversity and mitigating our contribution to climate change are important to all Canadians. The local impacts of energy resource development must be addressed directly. Energy resource development must also be examined from a climate change perspective in which impacts may be both indirect and global. Projects should deploy the best available technologies to reduce greenhouse gas emissions with the aspiration of achieving zero net emissions. Where energy resource development projects are unique to Canada a high bar for environmental performance should be set. In other cases, Canada should meet or exceed the highest global standard for comparable energy resource developments.

2.2 The cumulative environmental impacts of all industrial activity — current and projected — in a region must be considered when evaluating energy resource developments.

Energy resource developments are generally clustered in regions in which the resource is located. Often the same regions will be home to a range of industrial activities, including forestry, mining and agriculture. Municipal development and other human activities may put further pressure on the landscape. For Canada to achieve the highest standards of environmental performance in energy resource development these activities, including the associated infrastructure (e.g., roads, pipelines), cannot be assessed in isolation. Activities need to be integrated where possible, and the cumulative effects of all industrial developments and human activities on air, land, water and biodiversity as well as greenhouse gas emissions must be considered. This has the added advantage of reducing unintended social and environmental consequences of development.

2.3 The cumulative social impacts of all industrial activity — current and projected — in a region must be considered when evaluating energy resource developments.

While energy resource developments bring a range of social benefits to local communities, including job creation, they also present challenges. An influx of workers can stress existing services including social services (accommodation, health care, etc.), recreational facilities and law enforcement. Income disparity between those who benefit from energy resource development and those who do not can also strain communities. New industrial activity may disrupt other industrial activities or increase access to areas valued for their recreational or cultural significance. As with environmental impacts, the cumulative impacts of a number of energy resource developments can threaten the social fabric of affected communities and impact Aboriginal cultures. These issues need to be identified and addressed early in the process.

2.4 Aboriginal peoples, local communities and environmental organizations should be engaged in monitoring the impacts of energy resource developments.

Credible and effective environmental monitoring is critical to generating long-term support for energy resource developments and must be linked directly to decision-making. This needs to begin with the establishment of expert, independent and adequately resourced monitoring bodies with sound systems of governance and oversight. A potentially effective method of building trust with those affected by energy resource developments is to train and engage affected parties in monitoring regulatory compliance as well as in developing performance targets and in monitoring performance against those targets. Some examples include [Annapolis River Guardians](#), [Wood Buffalo Environmental Association](#) and Australia's [Working on Country](#).

Pillar #3: Ensuring the Continuity of Cultures and Traditions

The development of energy resources must foster the ability of Aboriginal peoples to enhance their sense of belonging, their identity, their connection to the land, and their language and culture.

Local communities and private landowners have rights and often have strong traditions of access to land and land stewardship that must be respected.

3.1 Energy resource development should not compromise the ability of Aboriginal peoples to continue their cultural traditions, should protect sites of importance and should incorporate their knowledge into decision-making.

Impacting the land impacts the traditional activities of Aboriginal peoples. Energy resource development projects should respect this not only by protecting important areas but also by minimizing disruption to hunting, trapping, fishing and gathering practices. Further, the traditional knowledge of Aboriginal peoples can be brought to bear on specific conservation objectives such as the development and implementation of management plans.

“Developers come and go but First Nations’ people remain in their territories; therefore, development must be sensitive to First Nations’ responsibilities to their cultures, seventh generation and intimate connection to the land.”

— Dan George, FDMS Consulting

3.2 The social and cultural importance of access to land by local communities and private landowners must be reflected in energy resource development.

Residents in many communities in regions subject to energy resource development will have strong traditions of access to land, be it for hunting, fishing, camping, canoeing or other recreational activities. Private landowners, particularly in cases where land has been under stewardship for generations, also have strong ties to the land. Energy resource development projects should respect these traditions and ensure that developments do not compromise the ability of local communities and private landowners to continue to enjoy access to land.

Pillar #4: Sharing the Benefits Fairly

The benefits of energy resource development must be shared fairly among Canadians and, in particular, should enable Aboriginal and local communities to realize their developmental goals.

The energy industry is an integral part of the communities in which companies operate, not separate from them. The industry will likely be a significant employer and those employees will draw upon community services and contribute to the fabric of the

community. Corporately, the energy industry will also develop infrastructure in or near the community and will contribute financially through property taxes. Every Aboriginal community may not be able to capture all of these benefits but industry should still be a significant source of employment and subcontractors.

4.1 Proponents of energy resource developments should commit to significant social investment in the communities affected by their operations.

Communities in areas subject to energy resource development tend to be in greater need of social and economic support than those in other parts of Canada. Industry can contribute directly to community development. If industry becomes accountable for educational and health outcomes in the communities in which it operates it may bring resources that include funding, volunteers and technical expertise. Social investment in communities by industry should be additive to the roles and responsibilities of governments (federal, provincial and municipal) and not allow governments to step back.

Proponents of energy resource development should work in partnership with local and Aboriginal communities to ensure that their needs are accurately identified and addressed and that their community development goals are realized.

“Communities that are trying to move from dependence to independence are facing huge issues with limited support and it is difficult to give industry a social license to operate when communities are impoverished.”

— Chief Derek Orr, McLeod Lake
Indian Band

4.2 Aboriginal peoples and local communities should have priority in direct and indirect employment and business opportunities arising from energy resource developments.

One of the principal ways in which industry can contribute to community development is through employing local people and contracting with local businesses. Education and training programs should be put in place to develop skills in the local workforce that can enable them to benefit from the opportunities provided by the energy resource development in their region.

4.3 Aboriginal people should have the opportunity to share in revenues from energy resource developments on their traditional lands, which can include securing an ownership position; enabling financing mechanisms should be developed for that purpose.

Whether or not land claims have been resolved, it is increasingly recognized that Aboriginal people should benefit from the development of energy resources within their traditional lands. Resource revenue-sharing mechanisms may not be in place in the jurisdiction in which the energy resource development is taking place. Even if they are, additional processes for sharing benefits (e.g., royalties, ownership positions) may be

warranted. Further, Aboriginal governments also have a stake in the provision of clean and reliable energy to their communities. Across Canada a wide range of approaches has been developed to accommodate Aboriginal peoples through resource development. Examples of these are summarized in Appendix I for illustration purposes. The form of accommodation chosen must be specific to the circumstances of the energy resource development project in question and the needs and objectives of the impacted Aboriginal peoples.

E. Implementing Our Value Proposition and Principles

Our value proposition and principles challenge industry, Aboriginal peoples, environmental groups and local communities to work collaboratively towards responsible energy resource development. The work of the Charrette on Energy, Environment and Aboriginal Issues was not intended to provide answers to the complex and challenging issues; rather, it was an attempt to demonstrate that common ground can be found among those with an interest in energy resource development.

We believe that our deliberations have provided a foundation that can be built upon. Canada needs to make the transition to a more constructive and respectful dialogue on energy resource development with the ultimate objective of creating or enhancing trust. It is our desire to extend these discussions to a broader audience.

While we do not intend to be prescriptive with respect to our desire to expand the areas of intersection amongst our interests, we have identified several aspects of our discussion in which further action is warranted.

- If Canada is to claim the highest global standards for environmental protection in the world in energy resource development, how would that be measured, monitored and reported, and by whom?
- Many of the innovative approaches to resolving conflict over energy resource development are occurring outside of the regulatory system. How can we do a better job of addressing issues of concern through processes such as regional planning and the management of cumulative effects and integrate them with existing regulatory processes?
- Effective engagement of Aboriginal peoples in the development of an energy resource project is essential. What are the best practices for:
 - consultation and accommodation?
 - the provision of employment and business opportunities?
 - ensuring that benefits from projects are shared fairly with affected communities, including underpinning equity investments?
- How do we enable the identification and sharing of best practices in energy resource development?
- How can we ensure that new energy resource developments are contributing meaningfully to reducing greenhouse gas emissions in Canada?

- What are the most appropriate mechanisms for social investment in the communities that energy resource developments impact, including setting objectives and measuring results?

These are complex and difficult issues but we need to create the forums in which to have these discussions if Canada is to realize the maximum economic, social and environmental benefits from the development of its extensive energy resources. The Charrette conversation is intended to be the beginning of a new way of exploring the opportunities.

Further Information

We welcome your input. If you wish to support our principles, point out errors or provide feedback, please direct comments to:

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Appendix I: Potential Forms of Accommodation with Aboriginal Communities

There is a multitude of approaches to providing financial and other accommodation to Aboriginal communities through energy resource developments. These approaches relate to specific resource development projects and are supplemental to land claims settlements, or may be applied in situations in which land claims remain unresolved. Many of these overlap.

For the purposes of illustration, we group these approaches into three categories:

- those in which revenues accruing to provincial governments through taxes and royalties from the project are shared with Aboriginal communities affected by the resource development but there is no capital investment in the project
- approaches which provide Aboriginal communities with a say in decision-making and direct capital investment in the resource development which may be funded through a revenue stream, government loan guarantees or some other mechanism
- approaches that provide compensation to Aboriginal communities for the impacts of the projects, perhaps tied to profits, but in which the Aboriginal community has no ownership position in the project

There are also indirect approaches; for example, the Government of Saskatchewan requires that those applying for a forest management agreement have a local equity partner. And priority in providing business contracts, training and employment are features of agreements in all three of the above categories.

The following are presented simply as examples of each of the three approaches and should not be construed as an endorsement by the Charrette on Energy, Environment and Aboriginal Issues of any agreement or how well it functions.

1. Resource Revenue Sharing

These types of approaches are most prevalent in British Columbia through its [New Relationship](#) initiative. Profit-sharing agreements with Crown corporations (see #2 and #3) are an indirect form of revenue sharing for right of access on traditional lands.

[Agreement Between the Province of British Columbia and the McLeod Lake Indian Band](#) — This agreement provides McLeod Lake with a share of the mineral tax revenues accruing from the Thompson Creek Metals mine at Mount Milligan.

[Forest Consultation and Revenue Sharing Agreements](#) — These provide participating First Nations in British Columbia with a share of revenues from stumpage, waste and annual rents from forestry operations within their territories.

2. Equity Participation and Joint Ventures

[Anaia Global Renewable Energies](#) — A joint venture between the Membertou First Nation and GrupoGuascor of Spain to market renewable energy solutions to Aboriginal communities in Nova Scotia and across North America.

[Bow Lake Wind Project](#) — A partnership between BluEarth Renewables and Batchawana First Nation near Algoma, Ontario which will produce 58.32MW of energy from 16 wind turbines.

[Fort McKay Group of Companies](#) — The Fort McKay First Nation has been supporting the oil sands industry for 25 years and the wholly owned Fort McKay Group of Companies has long-term contracts for a number of services. FMFN is also engaged in a variety of joint ventures in which it maintains a 51% interest with partnering companies such as ATCO.

[Lower Mattagami River Hydroelectric Project - Moose Creek First Nation and Ontario Power Generation](#) — MCFN has the opportunity to acquire up to 25% equity in Lower Mattagami through revenue stream reinvestment and is receiving construction contracts, training and employment.

[Wuskwatim Hydroelectric Generation Project - Manitoba Hydro and Nisichawayasihk Cree Nation](#) — NCN has the opportunity to secure 25.0–33.3% equity participation through loans provided by Manitoba Hydro with over \$100 million in construction contracts awarded to NCN. NCN was treated as a full partner through the development of the project and traditional knowledge was part of project planning.

3. Impact Benefit Agreements / Community Investment Funds / Profit Sharing

[Collaborative Agreement Between English River First Nation, Cameco Resources and AREVA Resources Canada](#) — The companies agreed to pay a signing bonus, milestone payments and yearly community investment contributions worth approximately \$600 million over ten years, mostly in contracts and wages accruing to ERFN. All cash payments will be made through a community trust and will go to community projects focusing on health and wellness, education, sports and recreation and infrastructure.

[Lower Churchill Project Impact Benefit Agreement - Innu Nation, Government of Newfoundland and Labrador and Nalcor Energy](#) — This provides the Innu Nation with a royalty, employment and training opportunities and a target of \$400 million in contracts for Innu businesses with a penalty if the target is not met.