The Other Energy Security:

Addressing Energy Poverty in Canada's Indigenous Communities

By Heather Exner-Pirot, PhD

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A message from our sponsor – Enserva

Energy for a Secure Future would like to thank Enserva for their support for this research.

“The analysis presented in this report, its recommendations and especially the voices from leaders in Indigenous and remote Canadian communities present a clear need for urgent action from our governments to bring equality of affordable energy to these communities. Enserva and its members are pleased to contribute to raising awareness of this important issue facing these vulnerable communities. Investing in critical infrastructure cannot wait any longer. Canada has an abundance of affordable natural gas and Indigenous peoples urgently deserve equal access to affordable energy in a Canadian society committed to equality of opportunity for all.”

Gurpreet Lail,
CEO, Enserva

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Letter from ESF Council

We've heard a lot about energy security in the past three years: from the Russian invasion of Ukraine and resulting impacts on our allies, to high utility bills and pain at the pump here at home. Many Canadians who've been able to take energy security for granted have been newly confronted with the negative impacts of high energy costs.

Of course, this has been the state of affairs in many Indigenous communities all along. Our nations consistently and structurally face higher energy costs than other Canadian communities, owing to a series of geographic and jurisdictional challenges. It affects our quality of life, our economic prospects, and our ability to invest in other, much needed, public services.

When you have to deal with energy poverty, the effects are all consuming. You have to worry about if your power will shut off, if you'll have gas to get to town, if you'll be able to pay your utility bill and still afford groceries for the week.

It is for this reason that we are relieved to see Energy for a Secure Future devote attention to this critical issue. Indigenous peoples have struggled for far too long with energy insecurity. While the attention paid to lack of access to clean water on reserve is finally getting the attention and resources it deserves. We remain mystified that access to affordable energy — in a country like Canada with both severe weather and many remote communities — is of negligible concern.

In particular, we find it unacceptable that there are good, reasonable solutions to some of our energy poverty challenges and yet no political interest in addressing them. Governments of the day have made it easier to install renewable energy that can only make a small dent in heating oil or propane needs in our long winters yet reject efforts to expand natural gas access to First Nations.

Natural gas heating is a cornerstone of energy affordability and reliability in millions of Canadian homes. And yet many First Nations are denied the same access because it is a fossil fuel and goes against climate goals. Never mind that higher emitting and more expensive fuels are usually used instead.

Indigenous people care deeply about the environment and the climate. But we also care about the quality of life of our youth and our elders. We want the same access to affordable energy as other Canadians are able to take for granted, and many Indigenous leaders are now speaking out on this issue.

The Federal Government's Action Plan related to the implementation of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), addresses health, economic and social rights. In particular, it seeks to "address persistent economic barriers for Indigenous businesses and communities," (paragraph 74). Lack of access to the most affordable and reliable energy options is such a barrier - one that we must work together, and quickly, to remove.

This paper serves as one more opportunity to share with Canadians the impacts of ideological energy policy on our people, and some opportunities to address it. We hope it can help inform the discussion on this topic and help move the dial towards affordable energy for all.

Guy Lonechild
CEO, First Nations Power Authority

Bernadine Coleman
Councillor, O'Chiese First Nation

Energy for a Secure Future is a non-partisan civil society initiative that brings together Canadian business leaders, Indigenous peoples, organizations, and experts in a new conversation about energy and building a secure future for Canada and our allies around the world.

Table of Contents

Introduction

It's probably well known, or at least comes as no surprise, that Indigenous, rural and remote communities face higher energy costs than urban and southern Canadian communities.

And yet the disparity is rarely discussed, is not a political priority, and has commanded no coherent policy to deal with it. As Riva et al. (2021) assert, "energy poverty is not identified as an issue in Canada, limiting effective responses."[1]

There are many reasons why energy access is unequal. Canada is a large country and infrastructure is expensive.

But there are important tools being left on the sidelines. One of the most impactful efforts to improve energy access and affordability to rural communities between the 1980s–2000s — extending natural gas lines — has since been subordinated to environmental goals, especially for northern communities and First Nations whose energy needs depend on federal, as opposed to provincial, support.

There are a variety of costs, including economic, environmental, social, that must be considered when determining what kind of energy systems Canadians should be promoting and adopting. It is valid to ask whether we are finding the correct balance between our different objectives.

A group of twenty First Nations in Saskatchewan believe we are not, and that their communities are suffering as a result. They collectively advanced a resolution at the Assembly of First Nations' annual general assembly in July 2024 to:

> Call on the federal government to immediately enhance First Nations' access to financial supports through Environment and Climate Change Canada's Futures Electricity Fund and Indigenous Services Canada's Indigenous Community Infrastructure Fund to ensure they can pursue more desirable energy security measures, such as natural gas service for home heating, access available energy efficiency programs, and support community energy champions to advance other energy security and efficiency initiatives. (AFN, 2024)[2]

To further shed light on issues around Indigenous energy security, this paper addresses two questions: What are the main energy options for First Nation and remote communities, including the pros and cons of each? And how are the constraints of these various sources being felt in Indigenous communities, in their own words? The paper concludes by identifying policy recommendations to better address the issue of energy poverty in remote communities and First Nations in Canada.

Household energy use in Canada

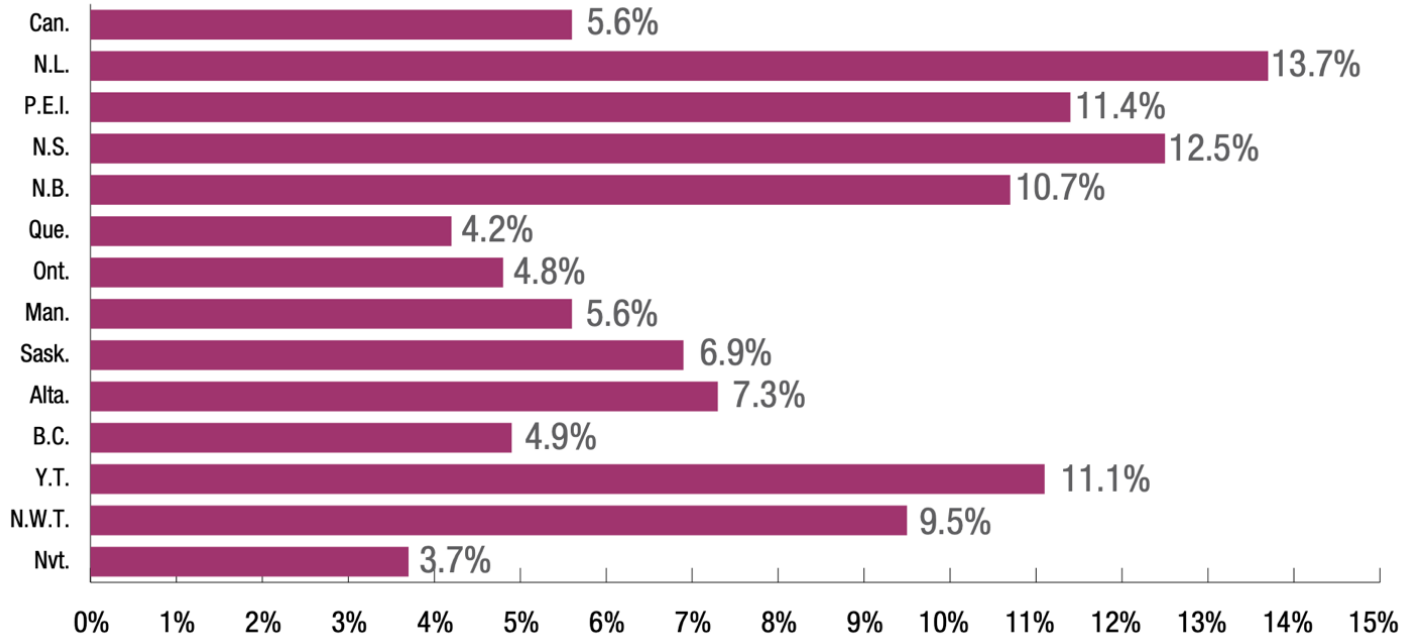
Natural gas is the largest source of residential energy in Canada, accounting for 51.5% of energy used by households. Rounding out the mix are electricity, accounting for 45.8%, and heating oil at 2.7% (Statistics Canada, 2024).[3]

Based on 2021 data, the average amount of energy consumed per household in Canada almost 24,000 kilowatt-hours (kWh). In-home energy expenditures by Canadian households (i.e., excluding transportation and other energy costs) averaged $2,225, or 3% of the average disposable income.

Energy poverty

The Government of Canada defines energy poverty as a condition when households spend 10% or more of their income on energy needs. By this metric, 5.6% of Canadian households spent 10% or more of their income on energy. This share varies considerably across regions and income levels, with Atlantic and northern communities more likely to face energy poverty (see Figure 1) (Natural Resources Canada, 2024).

Figure 1: Energy poverty rates by geography.



Source: Natural Resources Canada (2024)[4]

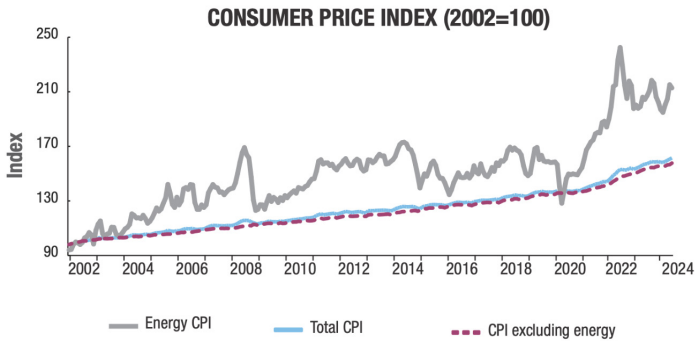
The Canadian Urban Sustainability Practitioners (CUSP), an organization that tracks Canadian energy poverty, uses a different metric. It defines energy poverty as affecting those who must spend more than twice as much as the average household on energy costs; thus a 6% disposable income threshold. By this calculation, 23% of all Canadian households and 26% of Indigenous ones experience energy poverty (CUSP, 2019).[5]

Ecotrust Canada estimates that a typical on-reserve household spends "three times as much of their income as the median Canadian household on meeting their basic energy needs" (Anderson, 2018).[6]

While illustrative and trackable, these calculations measure household expenditures, which don't capture the full picture either. In many Inuit and First Nation communities, energy bills are paid for by a level of government because households can't afford the energy costs at all. While those households do not have to make direct payments, their range of choices is obviously constrained by the high cost of energy.

Energy costs have increased significantly since 2020 (see Figure 2), growing much faster than the price of other goods and services. More Canadians are experiencing energy poverty as a result.

Figure 2: The energy component of the consumer price index (CPI), Canada, 2002-24



Source: Natural Resources Canada (2024)[7]

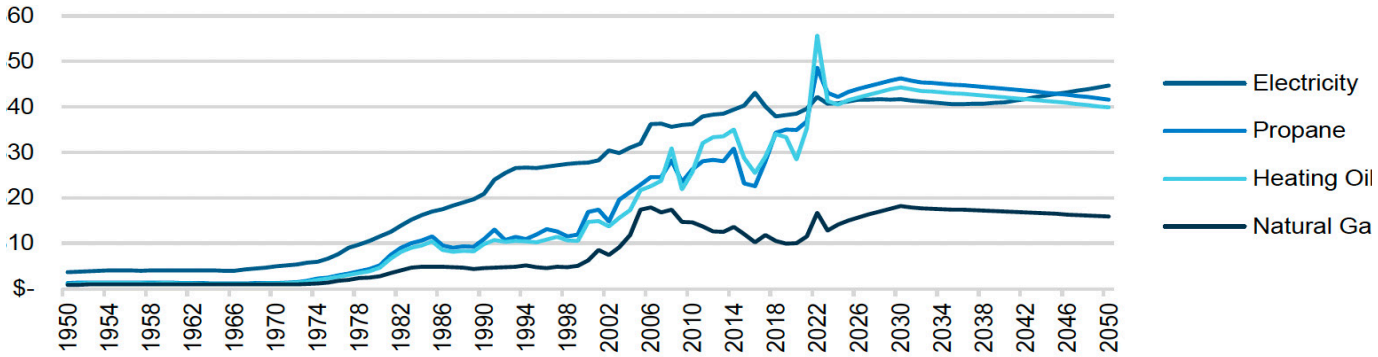
Natural gas access

Natural gas is the largest source of household energy in Canada. Its popularity is owing to its affordability; natural gas is the cheapest form of energy and is expected to remain so for the foreseeable future (see Figure 3).

That said, access is uneven and incomplete. While more expensive versions, such as liquefied natural gas (LNG) or compressed natural gas (CNG), can be trucked or shipped, the vast majority of natural gas is transported in gaseous form using pipelines. Because of the capital intensity inherent in that, Canada's natural gas distribution network is concentrated in populated areas. In addition, pipelines are difficult and expensive to build in the precambrian rock that comprises the Canadian Shield and in the mountainous areas of western Canada, where many rural and remote communities are located.

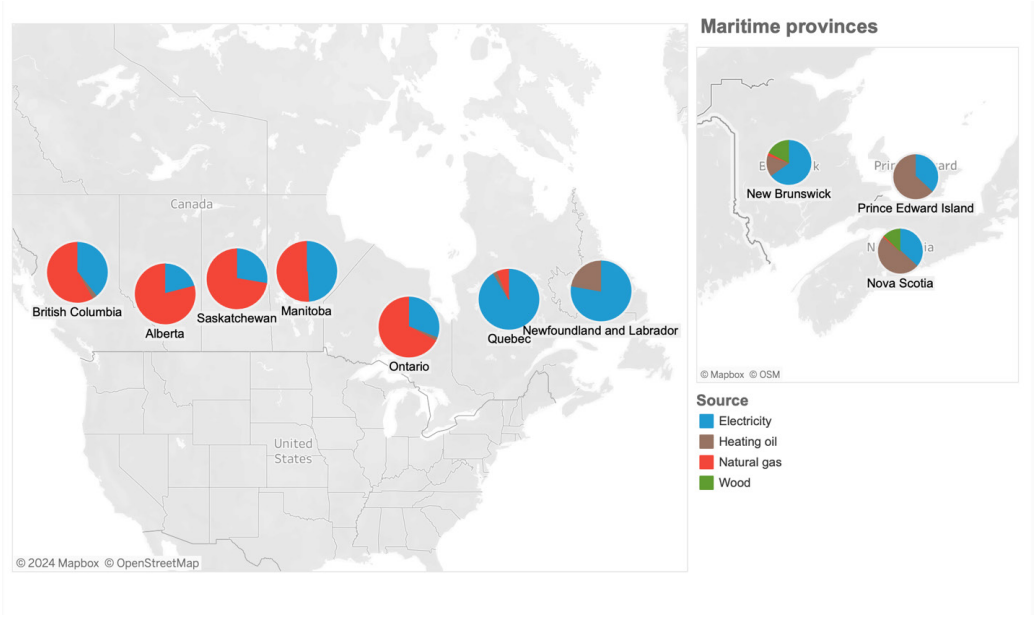
B.C., Alberta, Saskatchewan and Ontario consume more natural gas per capita than regions where electricity is relatively cheap (Manitoba and Quebec) or where natural gas access is limited (Atlantic and northern Canada) (see Figure 4).

Figure 3: Energy costs in Canada by source, $/GJ



Source: Canadian Gas Association, 2023. Credits: Statscan #18-10-0005-01 #25-10-0021-01, #25-10-0059-01, #25-10-0033-01, CGA, CER[8]

Figure 4: Energy source used for heating by province



Source: Canada Energy Regulator 2022.[9]

Energy sources in northern and Indigenous communities

Diesel dependent

Over 280 communities in Canada, home to approximately 200,000 people, are not connected to either the North American electrical grid or natural gas distribution pipeline systems. These are considered off grid, or remote communities. These communities overwhelmingly rely on diesel for their power and district heating, wood, heating oils or other source for heating.

There are two main drawbacks to diesel reliance. The first is environmental and health related: diesel is polluting, emissions intensive, and its systems are loud. The second is cost: it is expensive to barge or truck in the thousands or millions of litres communities need every year.

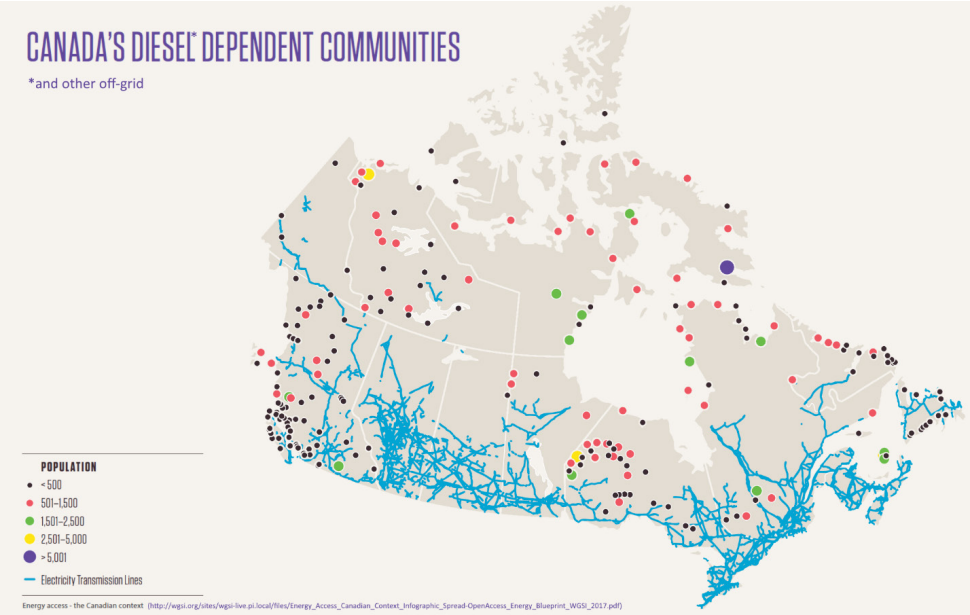
That said, diesel is pervasive in the North because it has the highly valuable characteristics of convenience, energy density and low-cost storage. There are no currently available and acceptable alternatives to diesel in most remote communities (see Pinto & Gates, 2022).[10] As Nunavut's Qulliq Energy Corporation (QEC) describes it,

> The reliability of some alternative energy sources, which produce intermittent rather than continuous or on-demand power, and the large capital cost to transition to these sources, are the biggest challenges to their implementation in Nunavut. These realities mean diesel powered generation can only be reduced for the foreseeable future but not eliminated, as backup power is crucial when on demand resources are not available. QEC's limited financial resources are used to maintain and rebuild aging diesel generation facilities (Qulliq Energy Corporation, 2023).[11]

Electricity dependent

In addition, there are many communities that are connected to the electricity grid but not the natural gas distribution system (see Figure 5). For example, in British Columbia, 60% of Indigenous communities living on-reserve do not have access to natural gas, compared to only 5% of other BC residents (Anderson, 2018).[12]

Figure 5: Canada's diesel dependent communities and electricity transmission lines



Source: Thomson, 2019. Credit: Waterloo Global Science Initiative[13]

For those communities that do not rely on diesel but do not have access to natural gas distribution, heating needs are provided by one, or a combination, of the following: electricity, propane, heating oil or wood. Each has different features in terms of availability, cost and environmental impact (see Table 1). However, because reliability is often an issue, many rural households will employ some form of redundancy (e.g. a wood stove or electric space heaters in case the propane tank empties during a holiday or storm and refuelling is not readily available).

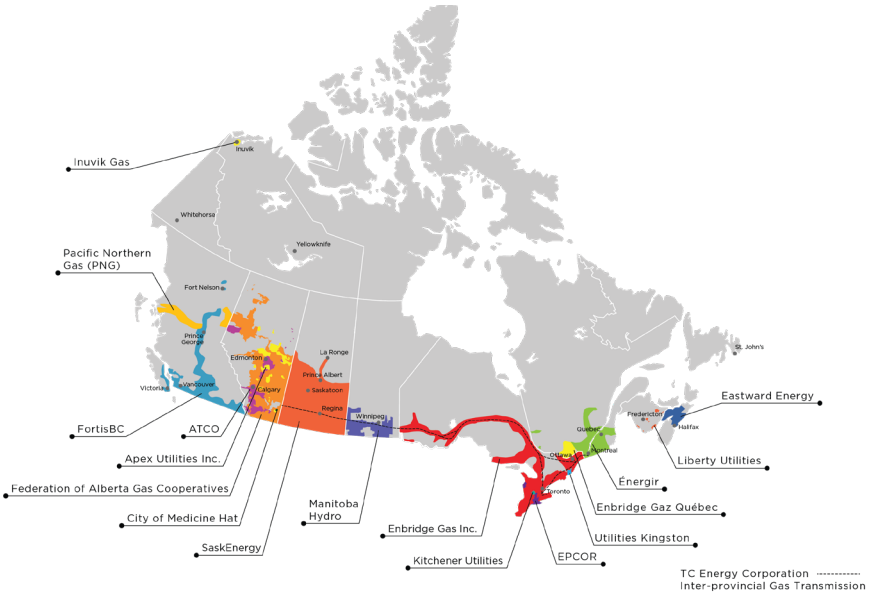
In all cases, natural gas distribution would be a cheaper heating option once installed. However, like electricity access, that requires high upfront capital costs. That is the crux of the problem: who pays for the extension of the natural gas distribution system? While there are many government frameworks enabling electricity access, comparable ones do not exist for natural gas.

In Canada, natural gas is provided by utilities (see Figure 6) that distribute and transmit natural gas. Transmission occurs through larger pipelines that connect gathering systems in producing areas, natural gas processing plants, and other receipt points to the main consumer service areas. Distribution occurs through smaller piping systems that deliver odourized natural gas from transmission facilities to end-users such as homes, buildings and industrial facilities.

Table 1: Cost and benefits of various forms of home heating for rural households

	Propane	Electricity	Heating oil	Wood	Natural gas
Access	Moderate; requires frequent refilling	High (by definition for this table)	Moderate; requires frequent refilling	Moderate; requires ample storage	Limited to communities connected to distribution networks
Cost	Moderate	High	High	Moderate	Low
Reliability	Moderate	High	Moderate	Moderate	Very High
Health impact	Low	Low	Moderate; outdoor air pollution	High; indoor air pollution; labour intensive	Low
Environmental Impact	Low criteria air contaminants	Low to Moderate depending on source	Moderate criteria air contaminants , some water risk	High criteria air contaminants	Low criteria air contaminants
GHG Emissions	Moderate GHG emissions	Low to moderate GHG emissions	High GHG emissions, moderate particulates	Moderate GHG emissions, high particulates	Moderate GHG emissions
Ease of storage	Moderate; does not degrade but fuel can “gel” in winter	Low	High	High	High

Figure 6: Canadian natural gas distribution companies



Source: Canadian Gas Association, 2025.[14]

The role of utilities

Natural gas pipelines are natural monopolies because it is expensive and inefficient to build competing or redundant systems. Because they are monopolies that provide an essential service (home heating) to the public, natural gas utilities are regulated in every province in which they operate. Regulators dictate the way natural gas providers operate, approving how much a natural gas provider can charge and what it can charge for. In return, natural gas utilities are authorized a moderate but stable return on equity (ROE), which currently averages 9.48% across Canada.[15]

Ratepayers pay both variable costs, based on their units of natural gas consumption; and fixed costs, based on the infrastructure required to connect them to the system. To manage rate payers' costs, regulators apply an economic test to govern the circumstances under which utilities can expand their pipeline system to new customers. Generally, the test will be based on a time period over which the costs of the expansion are repaid, usually over decades. The formula is set by the regulator.

In the case of communities that are close, but not connected, to the pipeline system (e.g. 10–20km away), the economic test may cover as much as 80–90% of costs but ultimately fail; the utility is not allowed to extend the line unless 100% of costs are covered.

> *"Indigenous communities are often further away from the natural gas system and therefore it can be costly to connect those communities to the system. If those communities do not have a natural gas connection it could be cost prohibitive to rely only one source of energy such as electricity."*
>
> – Samantha Singbeil, Manager, Indigenous Relations, FortisBC

In such a circumstance, there is a strong case for the government to cover the difference between what the community will be able to pay off over time and the cost to the utility's rate base, especially when there are already subsidies being paid to cover the more expensive, alternative heating sources those communities are forced to use. This approach has been implemented many times in Canada (see Table 2).

Table 2: Natural gas expansion programs in Canada, the federal government, 1980–2017. The list may not be exhaustive.

Program Name	Department	Timeframe	Funding	Project
Distribution System Expansion Program (DSEP)	EMR	1980–1984	$100 million	Grants provided to utility companies for natural gas network expansion in Ontario.
Canada Oil Substitution Program	EMR	1980–1985	$715 million	Grants for homeowners to convert heating systems from oil to natural gas.
Market Development Incentive Payments	NRCan	1981–2016	$191.3 million	MDIP-funded organizations (gas utilities, research, trade associations). Programs funded were DSEP, Industrial Conversion, Compressed Natural Gas Fueling Station, and Vehicle Conversion.
Vancouver Island and Sunshine Coast network expansion	EMR	1983	$100 million and $50 million interest free loan	Brought gas to over 20 communities to serve roughly 100,000 people.
Natural Gas Laterals Program	EMR	1984	$225 million	333 km pipeline between Grand-Mere and La Baie to Saguenay.
Canada-Manitoba Infrastructure Program	NRCan	1994–1997	$5.7 million	Brought natural gas service to 6 towns south of Brandon, Manitoba.
Canada Agriculture Infrastructure Program	NRCan	2000	$2.35 million	Connected Interlake Region north of Winnipeg to a natural gas system.
Parry Sound network expansion	NRCan	2000	$3 million	Connected pipeline network to rural Ontario.
Vallée-Jonction to Thetford Mines QC Pipeline	NRCan	2012	$18 million	Funding to extend Gaz Métro natural gas pipelines 80 km.
Red Lake ON Pipeline	NRCan	2012	$2.7 million	Expansion of Union Gas natural gas pipeline to Red Lake.
Bellechasse, QC	QC Economic Development Fund	2017	$17 million	Expansion for Énergir system to Bellechasse.

More recently, emission reduction goals and efforts to eliminate fossil fuel subsidies have reduced federal funding and programs for such efforts. In addition, in December 2023, the Ontario regulator reduced the time period under which natural gas infrastructure costs can be amortized from forty to zero years; negatively impacting the economics and viability of extension projects in the province. The Ontario provincial government had to intervene to prevent this and ensure affordable energy access. In BC, the regulator rejected expansion altogether in the Okanagan, citing climate targets (see Exner-Pirot, 2024)[16]. For First Nation partners of the initiative, the unmentioned negative consequence of the BC regulator's decision was losing out on natural gas access for their communities.

The energy transition and constraint of options for rural and remote households

As part of its efforts to advance Canada's climate goals and meet its commitment under the Paris Agreement, the federal government has initiated a number of programs to reduce Indigenous and remote communities' dependence on diesel and other fossil fuels by switching to renewable sources.

Many northern communities do have access to hydroelectricity, including the majority of Yukon households and a significant portion of ones in the Northwest Territories. However, most of the communities where hydroelectricity is an economic and feasible choice already have it, and there is limited ability to expand. As such, efforts at reducing fossil fuel use typically revolve around supplementing legacy fossil fuels with intermittent solar and wind power, and energy efficiency. The primary goal of these federal programs, listed below, is to reduce fossil fuel use.

- Indigenous Off Diesel Initiative: A renewable energy training program that supports Indigenous-led climate solutions in remote Indigenous communities that use diesel or fossil fuels for heat and power. The Initiative supports a cohort of participants called Energy Champions in their journey from training through to project planning and development. Energy Champions work closely with renewable energy leaders and their communities to plan and develop projects that reflect their community's priorities.

- Northern REACHE Program: Responsible Energy Approach for Community Heating and Electricity (REACHE) funds renewable energy and energy efficiency projects, and related capacity building and planning

- Clean Energy for Rural and Remote Communities Program provides funding for renewable energy and capacity building projects to reduce the reliance on fossil fuels for heating and electricity in Indigenous, rural and remote communities across Canada.

Unintended consequences

Most Canadian and Indigenous communities support actions to address climate change. However, the policy priority of reducing fossil fuel use has had unintended consequences, the primary one being that recent funding support has been directed not at improving reliability or affordability of the energy, but rather at sustainability.

As Lim, Poelzer & Noble (2024) articulate, "there is need for a more critical understanding of the potential benefits of RE [renewable energy] and the burdens or risks that these projects may pose — a balance that is absent from many narratives promoting energy transition… Replacement of existing energy services with RE can lead to increased energy costs or it may not generate sufficient profit for the local organizations providing RE services."[17]

As an example of how this often plays out, consider the following scenarios: the first for diesel dependent and the second for electricity dependent communities.

(1) Diesel is costly and high emitting but highly practical, owing to its energy density, transportability and storability. To address energy poverty, it has been historically subsidized in remote communities, a practice that continues to this day.

Alternative fossil fuels, such as propane or LNG, are lower-emitting than diesel and can adequately meet heating needs in northern communities.

On an equal *affordability* policy playing field with diesel, LNG and propane would be able to compete on cost in some circumstances. However, many energy policies have grandfathered in diesel subsidies or tax exemptions but won't extend them to other fossil fuels.

On an equal *sustainability* policy playing field with renewables, LNG and propane would be able to reduce more tCO_2e than renewables per dollar in support in some circumstances, because they are more effective at displacing diesel.

Because most government programs will only support a switch to non-fossil sources, the result is more diesel use and higher emissions, and in some cases higher costs as well.

(2) Use of pipeline-delivered natural gas is cheaper and has a lower carbon footprint than common alternatives such as trucked-in propane, heating oil and wood. A study by the Ontario Energy Board (2020) estimated that natural gas expansion would reduce, on average, 29 tCO_2e annually for a community of 210 customers.[18]

However federal programs will only support the switch to non-fossil sources, which reenforces the status quo.

As an example, one Saskatchewan First Nation reported in an interview that Indigenous Services Canada (ISC) offered a maximum of $5200 per household to support a natural gas hookup (Bigeagle, 2024)[19]. Compare that to the up to $10,000 "upfront payment" for switching from an oil furnace to a heat pump through the NRCan Oil to Heat Pump Affordability Program, which can be combined with the interest-free, 10-year $40,000 Canada Greener Homes Loan.

Energy security in their own words

The sharp rise in energy prices in 2022 (see Figure 2), combined with the aftereffects of the COVID-19 pandemic and inflation, exacerbated the issue of energy poverty in many Indigenous and Northern communities. For many First Nations it also severely taxed their own budgets, as they have had to cover higher energy costs for community buildings as well as energy bill payment defaults among more residents.

While many Saskatchewan First Nations have been advocating for gasification for years, the confluence of these factors prompted a more coordinated response. With the support of the First Nations Power Authority (FNPA), a group of Chiefs advanced a resolution at the Assembly of First Nations (AFN) annual assembly in July 2024.[20]

In particular, the resolution directed "the AFN to call on the federal government to immediately enhance First Nations' access to financial supports through Environment and Climate Change Canada's Futures Electricity Fund and Indigenous Services Canada's Indigenous Community Infrastructure Fund to ensure they can pursue more desirable energy security measures, such as natural gas service for home heating."

To better understand their concerns around energy security, the following section shares perspectives given by several Saskatchewan First Nation leaders who were interviewed for this paper: Chief Christine Longjohn, Sturgeon Lake First Nation; Chief Mark Fox, Piapot First Nation; Chief Edwin Ananas, Beardy's and Okemasis Nation; Guy Lonechild, President and CEO, First Nations Power Authority; and Joseph Daniels, SaskEnergy's Director of Indigenous Engagement.

On poverty

The most common theme was energy poverty. Fundamentally, First Nation leaders are trying to improve the material well-being of their members. There is frustration and impatience that basic needs, things other Canadians take for granted, are not being met.

> *"You can't make ends meet when all your money is going to bills, right?... Either you can jack up the furnace and put less food on the table, or lower the furnace and put more food on the table… If a community member decides, well I'm going to get a job off reserve, they lose their social assistance [which covers utility bills for recipients]. That makes it hard for them to pay their bills and they end up deciding to just go back on social assistance."*
>
> – Chief Ananas

“We’ve been calling it heat poverty because that’s what it really is…our families are finding that they have to either choose between buying groceries or heating their home. We should be able to live comfortably within our homes. We want to be just like every other homeowner that has that choice to be able to use natural gas.”

– Chief Longjohn

“What we’re talking about are third world issues. This is a first world country we live in. It’s just crazy.”

– Joseph Daniels

“If we didn’t have to put a lot of our resources into helping our members’ [energy bills], we’d be able to do other investments into our community.”

– Chief Fox

On gasification

Leaders have considered their options and see gasification as a solution to high heating costs. However, there are few options to support such expansion.

“When we talk about the energy transition, we have to make sure that Indigenous communities aren’t left behind.”

– Guy Lonechild

“Natural gas is something NRCan [Natural Resources Canada] will not fund. It’s not considered a renewable for them… Come to my nation and see how my people are living, and the struggles that they have day to day out here because of the high cost of energy, of electric heat and propane. Come and see for yourself. And you’re telling me you’re not interested in bringing gasification out here or to fund it because you’re waiting for renewable energy? That doesn’t sit well with me.”

– Chief Fox

“I think the government’s focus is to go to greener infrastructure in the future, but how long is that going to take? We can’t keep waiting and waiting and making people suffer. So, our alternative right now, and it’s the best alternative in my eyes, is natural gas.”

– Chief Ananas

On advocacy

Leaders were determined in their advocacy for gasification, noting not only economic but also safety concerns. Some compared the challenge to the multi-year effort to raise awareness and, ultimately funding, to address poor water quality and access on reserve.

“Natural gas is the new water.”

– Guy Lonechild

“The leadership has been advocating for natural gas for over 20 years. Natural gas is a priority for Surgeon Lake First Nation. That is our priority right now. For ISC [Indigenous Services Canada]*, natural gas is not a priority. And it hasn’t been for 20 years. So how do we get that message across that this is what Sturgeon Lake is needing, this is what Sturgeon Lake is asking for?”*

– Chief Longjohn

“I guess we want to be just like every other homeowner that has that choice to be able to use natural gas within their homes. It’s a lot safer in the wintertime to run natural gas. It’s a common thing for people to run out of propane, especially if it’s on a weekend, or the holidays. We have to improvise with space heaters or propane tanks to make sure that they’re safe.”

– Chief Ananas

“Sometimes, we have a line that’s five kilometers away. And nobody will build the connection line to them. In the 1990s, Indigenous Services Canada paid, I think, about 80% of the cost. The other 20% came from SaskEnergy. So those First Nations who took advantage of that cost sharing formula advanced their infrastructure greatly and have been able to save who knows how many millions?”

– Guy Lonechild

A way forward

Affordability is Canadians’ top priority when asked about their energy needs (Nanos, 2024).[21] For Indigenous people in Canada, this is likely to be even more so, given how much of their household income is spent on energy costs. Improving energy affordability in rural, remote and Indigenous communities should be a priority in Canada.

What does that look like? One good model is the Ontario’s Natural Gas Expansion Program, which has the goal of making “life more affordable for families and businesses, and [helping] to increase economic development and job opportunities for these communities.” It was developed following the passage of the Access to Natural Gas Act, 2018.

Response to the program was overwhelming. Ultimately, 34 projects across 49 communities were funded over two phases, with construction taking place between 2019–26. Several First Nations were among those selected for expansion, including Chippewas of the Thames First Nation, Saugeen First Nation, Scugog Island, Red Rock First Nation and the Mohawks of the Bay of Quinte First Nation (Government of Ontario, 2023).[22] The project is funded by a $1-per-month surcharge to existing natural gas customers.

Sustainability concerns appear to be overriding affordability ones in many other jurisdictions. By making the perfect (renewables), the enemy of the good (natural gas), we are condemning many communities not only to more costly energy options but usually higher emitting ones too, in the form of propane, heating oil and cut wood.

There are good ethical, economic and environmental reasons to support the extension of natural gas pipelines to more Indigenous communities. But ultimately it is communities themselves that should be able to decide, and be supported, in implementing the best energy options to meet their needs. Currently, their options are constrained by ideological preferences.

A wider range of energy options for rural, remote and Indigenous communities should be pursued with a level of urgency commensurate with the burden currently faced by households, businesses and local governments.

Recommendations

Federal government

- Treat all fuels equally with regard to tax exemptions. For example, while heating oil is currently exempted from the carbon tax, propane and natural gas are not, incentivizing the use of higher emitting fuels.

- Expand remote community energy programs to include any energy source that reduces emissions from diesel use, even if it is another fossil fuel.

- Per the AFN resolution, enhance First Nations’ access to financial support through Environment and Climate Change Canada’s Futures Electricity Fund and Indigenous Services Canada’s Indigenous Community Infrastructure Fund to ensure they can pursue more desirable energy security measures, such as natural gas service for home heating, access available energy efficiency programs, and support community energy champions to advance other energy security and efficiency initiatives.

Provincial governments

- Assess costs and opportunities to meaningfully expand natural gas distribution with respective natural gas utilities following the recent Ontario Natural Gas Expansion Program. Set transparent targets and timelines.

Case studies

Red Lake, Ontario

Red Lake is located in northern Ontario, 535 km northwest of Thunder Bay. It was one of the largest communities in Ontario (pop. 4670) without natural gas services when the extension of the natural pipeline by Union Gas was approved by the Ontario Energy Regulator in 2011 (Union Gas later merged with Enbridge). Phase 1 of the project extended gas to a nearby gold mine. Phase 2 extended the gas system to Red Lake, with the support of $2.7 million from the federal government.

In the years following the switch, residential customers were able to save 50–70% in energy costs by switching to natural gas.

“The month of January 2013 the bill was $6,500. Just the month of January. Last year [January 2015] it was $1,200 with natural gas… It’s going to mean that this institution can continue.” [23]

– Michele Alderton, Director of Red Lake Regional Heritage Centre

Bigstone Cree Nation

Bigstone Cree Nation, located in northern Alberta, is the largest First Nation in Treaty 8. Along with its neighbouring hamlet, Sandy Lake, it previously relied on propane for heating fuel.

Supported by a grant from the Government of Alberta, ATCO broke ground on extending the distribution feeder and mains and began providing natural gas service in Fall 2023. Construction followed an extensive relation building and collaboration period between ATCO and the affected communities, and community protocols were observed.

“We went and did the gasification of Bigstone because it’s absolutely the right thing to do. Will it bring in buckets and buckets of money for ATCO? No, is the answer. It will not. But it is the correct thing to do.”

– Keith Ratzleff, Manager, System Expansion, ATCO Group

O’Chiese Energy

Several Indigenous communities are not only users of natural gas, but producers of it too. The top producing nation in Canada is O’Chiese First Nation in central-west Alberta. It produces 3,600 mcf and 220 bbl per day in liquids on or adjacent to the reserve, or about 820 boe/day. It has a capacity of 1000 boe/day.

Gas production on the reserve is managed by O’Chiese Energy, a 100% community-owned, growth-oriented energy company. It opened an office in downtown Calgary in Spring 2024.

The natural gas produced by O’Chiese is transmitted to the local gas facility in which the community has a 5% ownership. The community draws its natural gas back from the plant via its 100% community-owned residential gas utility, O’Chiese Utilities.

“The Nation is playing a 100-year game, not a three year game. The other operators are not going to be around like we are. And we are hellbent on responsible growth. We see energy as an arena: gas to power, hydrogen. We’re just starting.”

– Allan Bertram, Senior Director at O’Chiese Energy

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