



Government of
Northwest Territories

August 20, 2026

THIS IS PUBLIC INFORMATION

JULIAN MORSE
CHAIRPERSON
STANDING COMMITTEE ON GOVERNMENT OPERATIONS

Northwest Territories Board of Directors Direction Letter Response

On September 2, 2025, the Government of the Northwest Territories (GNWT) issued a Direction Letter to the Northwest Territories Hydro Corporation (NT Hydro) and the Northwest Territories Power Corporation's (NTPC) new Board of Directors (Board), outlining the GNWT's priorities and expectations as the sole shareholder for the functioning and performance of the Board, NTPC and NT Hydro.

I am writing to inform the Standing Committee on Government Operations (Committee) that the GNWT received a response to the Direction Letter from Board Chair Judy Goucher on May 1, 2026.

The response to the Direction Letter includes a plan to implement the directives and a timeline to reach milestones. The letter also identifies when third parties have the lead and/or significant influence on outcomes, as well as legislative, policy, regulatory, financial and technological constraints. The response identifies where the new Board may need additional time to build capacity to make informed recommendations to some of the directives.

The GNWT has made the Direction Letter publicly available by posting it on the Department of Infrastructure/Strategic Infrastructure, Energy and Supply Chains [website](#). We intend to do the same with the Board's response to the Direction Letter and post it on the website in the near future.

The Board Chair's response letter is attached to this correspondence if Committee members wish to read it in full.

A handwritten signature in black ink, appearing to read 'Caroline Wawzonek'.

Caroline Wawzonek
Minister Responsible for the
Northwest Territories Power Corporation

Attachment

c. Distribution List

Distribution List:

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Secretary to Cabinet/Deputy Minister, Executive and Indigenous Affairs

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Advisor, Standing Committee on Government Operations

Committee Members, Standing Committee on Government Operations

May 1, 2026

Caroline Wawzonek
Minister Responsible for the Northwest Territories Power Corporation
Box 1320
Yellowknife, NT X1A 2L9

Dear Minister Wawzonek:

RE: 2025 Direction Letter to the Board of Directors

The new hybrid Board of Directors (“the Board”) for the Northwest Territories Hydro Corporation and the Northwest Territories Power Corporation (collectively the “Corporations” or “NTPC” or “NT Hydro”) appreciates the letter of direction you provided on September 2, 2025 (“the Directives”). We acknowledge that moving forward, improved alignment between the Corporations and the government as well as planning that considers an “all of government lens” are key deliverables for the Board.

Working collaboratively with Management, we have prepared the following responses to the Directives, identifying dependencies when third parties have the lead and/or significant influence on outcomes, identifying legislative, policy, regulation, financial and technological, constraints (“Other Considerations”). We have also identified where the new Board may need additional time to build capacity to make informed recommendations.

We commit to open communication to support the achievement of these Directives and a shared urgency to achieve government priorities.

Our response includes a plan to implement the Directives, a timeline to reach milestones and outlines policy and regulatory considerations that will impact the Directive responses. We have organized milestone timelines in two categories – 1) a Three-year timeline and 2) Greater than three years. Reporting documentation will capture the progression of these directives within these continuums.

The landscape in which the Corporations operate is changing. On May 28, 2025, the GNWT announced a new approach to the energy and climate change strategy with a commitment to net-zero greenhouse gas emissions by 2050. The commitment is driving the development of a new integrated strategy for energy and climate change. Also, on April 16, 2025, The GNWT issued policy direction to the NWT Public Utilities Board (PUB) that included 11 policy changes. The Corporations are actively engaged in providing input into the energy and climate change policy and PUB directives and the outcome of the policy and regulatory changes will certainly influence the strategic direction of the Corporations.

Once policy and regulatory items are completed and analyzed, the Board will work with Management to update the long-term strategic plan and annual corporate plans. Our responses to each specific directive will identify if the policy and PUB directives will influence the initial response.

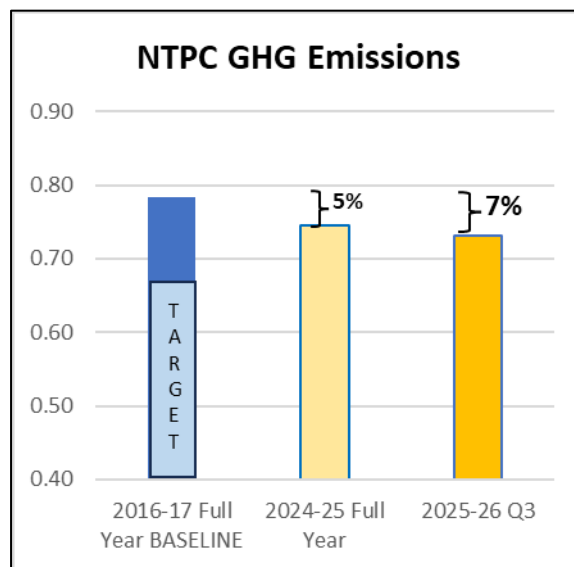
Strategic Level Directives

- 1. Enhance energy security and affordability by diversifying energy resources for electricity generation, advancing electrification of end-uses when appropriate (e.g., space heating), while transitioning away from fossil fuels and moving into feasible low-carbon energy sources for the North.**

Current Strategy & Progress to Date

NTPC has been addressing this directive in the strategic plan in accordance with the current NWT Climate Change Strategic Framework and the GNWT 2030 Energy Strategy. The GNWT 2030 Energy Strategy commits to reducing greenhouse gas emissions from electricity generation in diesel communities by 25%, which will enhance energy security by reducing reliance on diesel generation. As of December 30, 2025, NTPC reduced greenhouse gas emissions from diesel communities by 7% from the 2016-17 baseline as shown in Chart 1.

Chart 1 – Greenhouse Gas Reductions



Other Considerations

The energy policy changes and PUB directives will influence the plan to enhance energy security and affordability. Long-term plans will be amended once these policy and energy directives are final.

Future Plans and Timelines

Three-year timeline

- Create partnerships with Indigenous groups to identify and develop projects to reduce diesel consumption
- Integrate the Inuvik and Aklavik Independent Power Producer partner projects into the power systems
- Develop, execute and socialize a plan to maximize renewables on the Inuvik grid
- Develop a business case to increase sales in hydro zones from electric heat
- Feasibility plan developed for the Snare system that addresses future low water, reliability and load growth
- Identify distribution systems that need to be modernized to accommodate EVs, electric heat and distributed generation
- In collaboration with the GNWT and Tłıchǫ Government, advance the Nàııı Power Project
- Increase renewable penetration using storage technology in thermal communities
- Develop long-term planning scenarios for net zero by 2050 to be actioned in the medium to long term

Greater than three years

- Develop, socialize and execute a Snare system plan addressing future low water, reliability and load growth
- Complete LNG powerplant in Fort Simpson
- Complete transmission line between Hay River and Fort Providence
- Nàııı Power Project with backup thermal generation
- Taltson generation expansion with Great Slave Lake intertie
- Feasibility studies to expand existing hydro transmission grids to diesel communities
- In collaboration with the GNWT, monitor the adoption of new energy generation such as Micro Nuclear Reactors and hydrogen generation leveraging NTPC's involvement with Electricity Canada¹ for real-time data supporting northern applications
- In collaboration with the GNWT, examine further development of the Taltson system including provincial interconnection

2. Increase revenues to stabilize the cost of electricity across communities on a kWh basis and support economic development by increasing industry electricity sales and developing new markets.

Current Strategy & Progress to Date

Investments to increase revenues are rooted in policy *F-3, Guidelines for Regulated versus Non-regulated Business Activities*. The policy provides guidelines for non-

¹ Electricity Canada is an association for electricity suppliers across Canada.

regulated business activities to increase revenues. Through discussions with traditional and non-traditional mines (data mining) NT Hydro has an investment matrix with quarterly Board reporting on potential mining opportunities. This includes discussions with traditional mining companies of LiFT, Gold Terra, Fortune Minerals and NorZinc.

NTPC has a Memorandum of Understanding with Pine Point Mining Limited to negotiate power connection to the Taltson hydroelectric grid and power purchase agreements. Indicative rates for economic feasibility assessments will be completed by spring of 2026. NTPC is also engaged with mining companies that are near existing hydroelectric facilities.

The Department of National Defence (DND) announced Inuvik and Yellowknife as Northern Operational hubs requiring significant infrastructure and investment. Both communities will have increased electrical needs requiring capital investment and planning. NTPC is working closely with DND, the GNWT, Indigenous governments and communities on the long-term plan.

Other Considerations

The energy policy changes and PUB directives will influence the plan to enhance energy security and affordability. Long-term plans will be amended once these policy and energy directives are final.

Future Plans and Timelines

Three-year timeline

- Inuvik and Snare grid modernization plans incorporating increased electricity sales for DND investment in Inuvik and Yellowknife
- Signed Power Purchase Agreement with Pine Point Mining Limited
- Develop a load growth plan for 2028-29 and beyond to replace the GNWT Cost of Living Subsidy that sunsets in 2027-28
- In collaboration with the GNWT, proactively work with mining interests to supply power needs that align with mine development timelines
- In collaboration with the GNWT, develop partnerships with Indigenous governments to develop and supply energy to future mines
- Develop a business case to increase sales in hydro zones from electric heat

Greater than three years

- Develop, socialize, and execute a Snare system plan addressing future low water, reliability and load growth
- Complete transmission line between Hay River and Fort Providence
- Taltson generation expansion with Great Slave Lake intertie
- In collaboration with the GNWT, examine further development of the Taltson system including provincial interconnection

- 3. Align activities and strategic plans with GNWT energy and climate change policy, such as the commitment to net-zero emissions by 2050 and energy infrastructure adaptation to climate change impacts.**

Current Strategy & Progress to Date

The revised GNWT Energy and Climate Change strategy should be released in spring 2026 and NTPC is an active participant in stakeholder engagement. This engagement will provide feedback on the development of the revised strategy.

Other Considerations

The energy policy changes and PUB directives will influence the plan to enhance energy infrastructure adaptation for net-zero emissions by 2050. Long-term plans will be amended once these policy and energy directives are final.

Future Plans and Timelines

Three-year timeline

- Adjust strategies for the updated GNWT Energy and Climate Change strategy
- Develop long-term planning scenarios for net zero by 2050 to be actioned in the medium to long term

Greater than three years

- Execute updated long-term plans to meet net zero 2050 guidelines
- Execute updated Integrated Power Systems Planning (IPSP) plans with Indigenous governments and community partners

- 4. In partnership with the GNWT, undertake long-term Integrated Power System Planning (a.k.a. Integrated Resources Planning) and set corporate milestones on low-carbon infrastructure to guide toward net-zero by 2050, consistent with the 2025 GNWT Policy Direction to the Public Utilities Board.**

Current Strategy & Progress to Date

NTPC has actively engaged in the PUB process on Integrated Power System Planning (IPSP). NTPC's current capital plan and strategic initiatives will inform key elements of the IPSP, including collaboration with the GNWT Department of Infrastructure to recommend energy options to increase resiliency of the Snare hydro system. NTPC signed a Memorandum of Understanding with the Déline Got'îné Government to consider longer-term energy solutions for the region.

Other Considerations

The energy policy changes and PUB directives will influence the plan to enhance energy infrastructure adaptation for net-zero emissions by 2050. Long-term plans will be amended once these policy and energy directives are final.

Future Plans and Timelines

Three-year timeline

- Adjust strategies and establish milestones based on outcomes of the IPSP
- Develop long-term planning scenarios for net zero by 2050 to be actioned in the medium to long term
- In collaboration with the GNWT, develop partnerships with Indigenous governments to develop and supply energy to future mines

Greater than three years

- Execute updated IPSP plans with Indigenous governments and community partners
- 5. NT Hydro must ensure that the core focus of its subsidiaries, joint ventures and business arrangements, are on growth targets in NT Hydro's 20-Year Strategic Plan, specifically planning and developing safe and environmentally responsible energy projects to serve existing and new energy requirements in the Territories. The governance and scope of activities of its subsidiaries, joint ventures and business arrangements must meet the same standards as NT Hydro.**

Current Strategy & Progress to Date

NT Hydro's corporate policy *F-3 Guidelines for Regulated vs. Non-regulated Business Activities* and its investment matrix clearly identify investment activities and risk for the non-regulated business. The current 20-year capital plan aligns non-regulated investment activities with the existing policy.

Future Plans and Timelines

NT Hydro will ensure future capital plans and non-regulated investments are in accordance with the policy and will update the policy as required to align with changes to the GNWT climate and energy policy.

- 6. Support objectives set by the GNWT with respect to advancing reconciliation with Indigenous People, including any development related to the implementation of the United Nations Declaration on the Rights of Indigenous Peoples in the NWT.**

Current Strategy & Progress to Date

NTPC's current strategic plan has an objective to develop Indigenous Partnerships.

NTPC has a long-established relationship working closely with Indigenous partners to develop energy projects. NTPC has partnered with Nihtat Energy Ltd. to connect solar installations in Inuvik and Aklavik. NTPC has also partnered with the Tłıchǫ in the development of energy services within the Snare hydro land use area, which will include provision of training opportunities. Further, NTPC has entered into a Power Purchase Agreement with Tulita Forest Products Ltd., partnered with the Gwich'in Development Corporation in the Aadrii heat recovery system, leases the Snare Cascades hydro facility from the Dogrib Power Corporation, and has signed a Memorandum of Understanding with the Délı̨nę Go'tı̨nę Government to consider longer-term energy solutions for the region.

Other Considerations

The climate and energy policy changes and PUB directives will influence the plan to enhance energy security and affordability. Long-term plans will be amended once the policy and energy directives are final.

Future Plans and Timelines

Three-year timeline

- Leverage hybrid Board with independent directors' expertise to incorporate reconciliation and UNDRIP considerations into decision making
- In collaboration with the GNWT, create partnerships with Indigenous governments to develop and supply energy to future mines
- Enhance engagement with Indigenous governments and communities using the IPSP
- Explore energy service partnerships to bolster community capacity in the energy sector

Greater than three years

- Execute updated IPSP with Indigenous governments and community partners

Governance Level Directives

- 1. Participate in and support an NTPC/NT Hydro governance review led by the GNWT including the development of an accountability framework for the NTPC Board that describes roles, accountabilities, lines of communications, responsibilities, and reporting.**

Current Strategy & Progress to Date

When the GNWT initiates an NTPC/NT Hydro governance review, the Board will actively engage in the review process.

Internally, over the past two years, in anticipation of the transition to a hybrid board structure, the Corporations commenced a comprehensive review of existing governance

processes and policies. This work ensured alignment with recognized governance best practices and incorporated input from peer utility benchmarking, governance experts, and key stakeholders. This effort resulted in several significant improvements, including:

- The creation of a Board Governance Policy establishing a practical framework for effective oversight of NTPC, NT Hydro, and their subsidiaries
- Job descriptions prepared for all Board positions including Chair, Vice Chair and Directors; and the inclusion of prescriptive requirements for communication with the Minister Responsible within the Chair's job description, to support open dialogue and alignment with government priorities
- The adoption of a revised Ethics and Conflict of Interest Code and Statement of Disclosure Form for NTPC, NT Hydro, and all subsidiaries
- The introduction of Board Committees, supported by Committee Terms of Reference and Operating Guidelines, to enhance oversight and enable more focused strategic discussions
- The development of a formal Board Evaluation Policy and annual process to promote continuous improvement and accountability to the Shareholder
- The establishment of a Board Development Policy to provide directors with structured opportunities to strengthen their skills and knowledge
- The implementation of a Skills Self-Assessment Matrix to support board recruitment and development planning of board members
- A new shareholder-led Board Appointments Policy and a formal Expression of Interest process
- A detailed review of director and chair remuneration and the implementation of a Board Remuneration Policy benchmarked against peer utilities and comparable public boards
- The development of a comprehensive Director's Guide to support effective onboarding and orientation
- The transition to a secure digital board portal to enhance the protection and management of board records
- Revisions to Corporate by-laws to reflect updated governance policies and processes

Future Plans and Timelines

Three-year timeline

- Publish new and revised board policies on NTPC's website, for increased transparency
- Ongoing governance improvements in response to review processes built into governance framework

Other Considerations

Timing of this initiative will be determined by the GNWT's timing for a governance review of NTPC/NT Hydro.

- 2. In accordance with the Minister's Mandate Letter: develop annual strategic planning processes to produce a Corporate Plan for the Corporations. These processes must focus on effective reporting and increased transparency and align with the GNWT's Planning and Accountability Framework.**

Current Strategy & Progress to Date

The Corporations have strategic planning processes that produce Corporate Plans in accordance with the GNWT's Planning and Accountability Framework and those Plans have been tabled annually in the Legislative Assembly.

Future Plans and Timelines

Three-year timeline

- Through the public engagement campaign, the Corporations will provide increased transparency on achieving milestones identified in the strategic plan with the Shareholder and customers
- 3. Submissions to Executive Council and Financial Management Board (FMB) must have a sponsoring GNWT department who will be responsible for submitting them through the Deputy Minister Committee (DMC) and Committee-of-Cabinet (COC) process to ensure an all-of-government lens is applied to major decisions.**

Current Strategy & Progress to Date

The Corporations have developed a process to ensure submissions have a sponsoring GNWT department. The Corporations have experience submitting documents through the GNWT's DMC and COC processes, and the Corporations will ensure an all-of-government lens is applied to major decisions.

Future Plans and Timelines

Three-year timeline

- All submissions to Executive Council and Financial Management Board will have a sponsoring department to ensure an all-of-government lens is applied to major decisions
- 4. The President and CEO may be asked to attend DMC, COC, Cabinet and/or FMB meetings when Cabinet or FMB submissions related to the Corporations are discussed.**

Current Strategy & Progress to Date

The Corporations welcome participation in DMC/COC/Cabinet/FMB meetings to discuss corporate matters and provide input supporting GNWT priorities and activities, with confidentiality consistent with Deputy Ministers and Public Agency Presidents/CEOs.

Future Plans and Timelines

Three-year timeline

- Work closely with the Minister and GNWT Departments to ensure committees maintain engagement with the Corporations ensuring expertise is adding value to government discussions, particularly those aligned with the business of the Corporations such as energy and climate change policies

Operational Level Directives

- 1. In accordance with the Minister's Mandate Letter: develop and implement industry standard major project management processes, planning, including improving risk management and budgeting.**

Current Strategy & Progress to Date

The Corporations are advancing industry-standard project management practices through the Capital Infrastructure Project Execution (CIPEX) initiative. This effort focuses on improving planning, budgeting, control, and risk management for projects to ensure greater efficiency and accountability. The new CIPEX initiative is in early stages, and performance metrics are being refined and will be reported to the Board of Directors.

Future Plans and Timelines

Three-year timeline

- Report capital planning and execution performance metrics to the Minister
- 2. Engage with the public on the development of strategic, corporate and capital plans, including in the context of the Integrated Power System Planning effort.**

Current Strategy & Progress to Date

In 2025-26, the Corporations initiated a public engagement campaign that enhanced outreach and transparency, ensuring communities have opportunities to provide input and stay informed. NTPC launched a new website, *poweringthenorth.ca* that includes blogs and stories on the future of energy in the NWT.

NTPC is actively participating in the PUB-led Integrated Power System Planning initiative that will assist communities make informed decisions on future power investments.

Other Considerations

The energy policy changes and PUB directives will influence the plan to enhance energy security and affordability. Long-term plans will be amended once these policy and energy directives are final.

Future Plans and Timelines

Three-year timeline

- Hire a Director, Business & Community Energy Development
 - Develop community engagement plan in the context of the Integrated Power System Plan
 - Through the public engagement campaign, the Corporations will provide increased transparency on meeting milestones identified in the strategic plan with the Shareholder and customers
 - Enhance Indigenous government and community engagement using the IPSP
 - Explore energy service partnerships to bolster community capacity in the energy sector
- 3. Develop and implement a load growth and electrification plan, including the opportunity to utilize surplus hydro and develop new business and industrial sales.**

Current Strategy & Progress to Date

NTPC has a Memorandum of Understanding with Pine Point Mining Limited to negotiate power connection to the Taltson hydroelectric grid and purchase power agreements. Indicative rates for economic feasibility assessments will be completed by spring 2026. NTPC is also engaged with mining companies that are near existing hydroelectric facilities. An intertie between the Snare and Taltson hydro sites would create expanded opportunities to provide hydro power for new businesses and industry.

Policy F-3, Guidelines for Regulated versus Non-regulated Business Activities. The policy provides guidelines for non-regulated business activities to increase revenues. Through discussions with traditional and non-traditional mines (data mining) NT Hydro has an investment matrix with quarterly Board reporting on potential mining opportunities. This includes discussions with traditional mining companies of LiFT, Gold Terra, Fortune Minerals and NorZinc.

Other Considerations

The energy policy changes and PUB directives will influence the plan to enhance energy security and affordability. Long-term plans will be amended once the policy and energy directives are final.

Future Plans and Timelines

Three-year timeline

- Signed Power Purchase Agreement with Pine Point Mining Limited
- In collaboration with the GNWT, foster relationships with other mining interests
- In collaboration with the GNWT, develop partnerships with Indigenous governments to develop and supply energy to future mines
- Develop a load growth plan for 2028-29 and beyond to replace the GNWT Cost of Living Subsidy that sunsets in 2027-28
- Develop a business case to increase sales in hydro zones from electric heat
- Feasibility plan developed for the Snare system that addresses future low water, reliability and load growth
- Identify distribution systems that need to be modernized to accommodate EV's, electric heat and distributed generation
- In collaboration with the GNWT and Tłıchǫ Government, advance the Nàııı Power Project

Greater than three years

- Develop, socialize, and execute a Snare system plan addressing future low water, reliability and load growth
- Complete transmission line between Hay River and Fort Providence
- Taltson generation expansion with Great Slave Lake intertie
- Feasibility studies to expand existing hydro transmission grids to diesel communities
- In collaboration with the GNWT, examine further development of the Taltson system including potential provincial interconnection

4. The Board is to assess whether an operational efficiency review should be undertaken and make a recommendation to the Minister on whether or how to proceed.

Current Strategy & Progress to Date

It is early days for the new hybrid Board to determine whether an operational efficiency review of NTPC should be undertaken.

The NTPC undergoes efficiency reviews from the PUB through the General Rate Application process, the Corporations have an annual financial audit completed by the Office of the Auditor General, and the GNWT has previously hired consultants to complete comprehensive operational efficiency reviews of NTPC.

The Corporations endorse a continuous improvement culture using innovation, where appropriate and complete annual continuous improvement projects such as electronic workflow and automation improvements. Management has also recently started a review of asset management to incorporate associated risks and costs into capital planning.

Future Plans and Timelines

Three-year timeline

- As the Board becomes more familiar with the operations of the Corporations over the upcoming year, it will assess whether a new operational review should be undertaken and make a recommendation to the Minister
- 5. Develop a plan to engage and partner with communities and Indigenous governments to secure federal funding to achieve, where practical, in the short-term a minimum of 30% in renewable electricity installed capacity, and in the longer-term, maximize low carbon electricity penetration in thermal communities. This is to be done without increasing electricity rates.**

Current Strategy & Progress to Date

NTPC has been addressing this directive in the strategic plan in accordance with the current NWT Climate Change Strategic Framework and the GNWT 2030 Energy Strategy. The GNWT 2030 Energy Strategy commits to reducing greenhouse gas emissions from electricity generation in diesel communities by 25%, which will enhance energy security by reducing the reliance on diesel generation. As of September 30, 2025, NTPC reduced greenhouse gas emissions from diesel communities by 7% from the 2016-17 baseline.

NTPC has actively engaged in the PUB process on the Integrated Power System Planning (IPSP). The Corporations are actively engaged with the GNWT and Indigenous governments on federal funding programs to reduce the rate impact to customers.

Other Considerations

The energy policy changes and PUB directives will influence the plan to enhance energy security and affordability. Long-term plans will be amended once these policy and energy directives are final. As proven renewable technologies emerge and if third party funding for renewable projects is secured, this directive could have broader application with increased opportunity to meet affordability goals.

Future Plans and Timelines

- Enhance Indigenous government and community engagement using the IPSP
- **Three-year timeline**
 - Develop partnerships with Indigenous groups to develop projects to reduce diesel consumption
 - Integrate the Inuvik and Aklavik Independent Power Producer partner projects into the power systems
 - Execute plan to maximize renewables on the Inuvik grid
 - Increase renewable penetration using storage technology in thermal communities
 - Develop long-term planning scenarios for net zero by 2050 to be actioned in the medium to long term

- Adjust strategies for the updated GNWT Energy and Climate Change Strategy
- Working with the GNWT and partners, identify third party funding for renewable projects to mitigate rate impacts

The Board of Directors of NT Hydro and NTPC welcome your feedback on our response to your letter of direction. We have included several transformational initiatives to achieve these directives, many of which will rely heavily on collaboration and partnerships. Please feel free to contact me if you have any questions regarding this response.

Sincerely,

A handwritten signature in black ink, appearing to read "Judy Goucher". The signature is fluid and cursive, with the first name "Judy" and last name "Goucher" clearly distinguishable.

Judy Goucher
Board Chair, NT Hydro and NTPC