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Qulliq Energy Corporation
Société d'énergie Qulliq
Qulliq Alruyaktuqtunik Ikumatjutiit

Corporate Plan 2020-2023

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1.0 Introduction

Qulliq Energy Corporation (QEC) is a Government of Nunavut (GN) territorial corporation. Historically, the Northern Canada Power Commission (NCPC) was responsible for supplying power to the territory from 1949 to 1988. After which, operations were transferred to Northwest Territories Power Corporation (NTPC). In 1999, Nunavut established its own locally managed utility, and on April 1, 2001, Nunavut Power Corporation (NPC) came into being under the *Nunavut Power Corporation Act*. NPC was subsequently renamed Qulliq Energy Corporation and the *Nunavut Power Corporation Act* was renamed the *Qulliq Energy Corporation Act* (“QEC Act”) as the result of legislation passed in March of 2003. This legislation also broadened the Corporation’s mandate to respond to a wider range of energy use and conservation issues within Nunavut. In 2018, the *QEC Act* was further amended allowing the Corporation to purchase power in anticipation of launching the Independent Power Producers program.

Through the operation of 25 stand-alone diesel power plants with a total installed capacity of approximately 76,000 kilowatts, QEC is the sole provider of electricity to approximately 15,000 customers in the territory. The Corporation provides mechanical, electrical, and line maintenance services from three regional centers: Iqaluit, Rankin Inlet, and Cambridge Bay. QEC’s administrative activities are carried out at the Head Office in Baker Lake and the Corporate Office in Iqaluit.

The Minister responsible for QEC appoints the Corporation’s Board of Directors to oversee QEC’s business activities. Since 2005-2006, the responsible Minister has provided an annual Letter of Expectation to QEC to guide the Board of Directors in defining the priorities and desired outcomes of the Corporation while reinforcing the importance of QEC’s relationship with the GN. QEC’s Board of Directors is guided by the Inuit Societal Value *Aajiiqatigiinni* (decision-making through discussion and consensus) regarding the strategic direction of the Corporation.

The Corporation attends to the overall objectives provided by legislation including: supporting the Minister responsible for QEC on intergovernmental and regulatory issues, managing capital projects, and analyzing and promoting the use of alternative energy sources throughout the territory.

1.1 Vision

Qulliq Energy Corporation’s vision is to provide the communities of Nunavut with safe, reliable, sustainable, and economical energy supply and service. QEC’s foundation to achieve our vision is based on an empowered and accountable workforce, representative of Nunavut’s population, and reflective of Inuit Societal Values, Inuit Qaujimagatuqangit, and *Turaaqtavut*, the mandate of the fifth Legislative Assembly of the Government of Nunavut. We operate as an enterprise with transparency, accountability, and integrity.

1.2 Mission

QEC provides safe, reliable, and efficient electricity and plans long-term affordable energy for Nunavummiut.

1.3 Corporate Objectives

Section 5 of the *Qulliq Energy Corporation Act* sets out the objectives of QEC, they are as follows:

- (a) to generate, transform, transmit, distribute, deliver, purchase, sell and supply energy on a safe, economic, efficient and reliable basis;
- (b) to plan and provide for Nunavut's long-term needs for affordable energy, taking into consideration Nunavut's desire to enhance energy self-reliance and to conserve energy and energy resources;
- (c) to purchase, store, process, distribute, deliver, sell and supply petroleum products and other fuels;
- (d) to undertake programs to maximize efficiency of fuel and other energy consumption and to provide advice and information to consumers to enable fuel and energy conservation;
- (e) subject to the *Utility Rates Review Council Act*, to set rates and tariffs for energy and services supplied by the Corporation and its subsidiaries; and
- (f) to undertake any other activity directed or authorized by order of the Commissioner in Executive Council.

QEC will focus on developing the territory's infrastructure base through *Pivaallirutivut*, one of the priorities of *Turaaqtavut*. Through this priority, QEC will endeavor to further the Corporation's alternative energy initiatives in Nunavut through partnerships with federal, territorial, municipal governments, as well as Inuit organizations.

2.0 Environmental Scan

QEC operates within a broad spectrum of political, geographical, environmental, and economic conditions specific to the unique challenges of generating and distributing electricity in Nunavut.

2.1 Political

The GN and the Minister responsible for QEC play a significant role in the Corporation's activities. The GN is the Corporation's sole shareholder in addition to being its largest customer, its largest supplier of fuel, its ultimate regulator and the source of consumer subsidy programs. Two subsidies offered through the GN are the User Pay Program (also known as the Public Housing Power Support Program) and the Nunavut Electricity Subsidy Program.

Residential customers in public housing are able to access the User Pay Program. Eligible customers in the program are billed at a rate of 6.0¢/kWh for their power usage. QEC invoices the Nunavut Housing Corporation for the difference between the approved residential rate and the 6.0¢/kWh for customers in this program.

The Nunavut Electricity Subsidy Program (NESP) is offered to all other qualifying residential customers across the territory. The subsidy is based on 50% of the Iqaluit residential electricity rate and it is applied on the first 700 kWh consumed each month between April and September, and on the first 1,000 kWh consumed each month between October and March. QEC applies the NESP subsidy directly to qualifying customers' power bills and invoices the GN Department of Finance for the difference between the approved residential rate and the NESP subsidy. The Department of Finance directly administers the NESP for commercial customers.

QEC submits applications for rate changes to the Minister responsible for QEC, who may then seek the advice of the Utility Rates Review Council (URRC). The URRRC is an impartial advisory body whose role is to make rate recommendations to the Minister. The Minister (with Cabinet's approval) then determines whether to approve the URRRC's recommendation, approve QEC's request, provide a new option, or instruct the application process be restarted.

Capital projects with a total cost exceeding \$5 million are deemed major capital projects under the *QEC Act*. For major capital projects the Corporation must submit a Major Project Permit application to the Minister responsible for QEC and receive approval from the Minister prior to undertaking any work. The responsible Minister may seek advice from the URRRC before rendering a decision.

2.2 Rate Regulation Activity

QEC maintains a Fuel Stabilization Rate Fund (FSRF) to offset the price difference between the fuel price included in the current electricity rates and the actual fuel price paid by the Corporation. The FSRF is only used to offset fuel prices and cannot be used for any capital or operations and maintenance initiatives.

If, at any time, the forecasts indicate the FSRF balance is expected to exceed the threshold of plus or minus \$1 million within a six-month period, QEC must apply to the Minister for a fuel rider designed to recover or refund the balance.

QEC's electricity rates are based on the Corporation's revenue requirements: capital investments, fuel expense, non-fuel costs (such as operations and maintenance, salaries and wages, and travel). QEC uses the data from a revenue requirement forecast for the year in which a rate change is to take effect to prepare an application to the Minister responsible for QEC.

QEC submitted a General Rate Application (GRA) to the responsible Minister on October 18, 2017 requesting a new rate to take effect on April 1, 2018. In spring 2018, Cabinet approved a rate increase of 6.6% over 2 years. This was implemented in two stages, the first increase (3.3%) took effect on April 1, 2018 with second increase (3.3%) coming into effect on April 1, 2019. A proposed change to a standardized territorial rate structure was rejected during the same Cabinet meeting.

With Cabinet approval, QEC implemented a 1.25 cent per kilowatt-hour (kWh) Fuel Stabilization Rate (FSR) rider from November 1, 2018 to March 31, 2019. The fuel rider was based on price increases on fuel for electricity generation; an increase of 2.4 cents per litre in Iqaluit and 5 cents per litre for the rest of Nunavut took effect on November 1, 2018. Customers under the User Pay Program are exempt from FSR riders.

2.3 Environmental

QEC operates in some of the most difficult environmental conditions of any utility provider in the world. Weather, distance, and darkness generate stresses on employees, assets, and equipment. The Corporation's expectation to abide by *Avatittinnik Kamatsiarniq* (respect and care for the land, animals, and the environment) is reflected in environmental protection measures.

QEC abides by legislative and regulatory standards for environmental contamination. The Corporation has committed to implementing remedial measures when human health is at risk.

2.4 Economic

QEC's largest operations and maintenance expense is for the fuel used to generate electricity for all customers in the territory. Diversification of the energy supply mix can alleviate dependency on imported fossil fuels and help address diesel related environmental concerns.

2.5 Geographic

QEC serves 25 communities, 24 of which are located north of 60°. There are no roads linking communities and there is no shared transmission grid. Nunavut is unique in that it spans three time zones and covers nearly 2 million square kilometers of land mass. Supplies and fuel arrive either by ship – during the limited Arctic shipping season – or by air when deemed necessary.

2.6 Load Growth

QEC fosters the Inuit Societal Value of *Pijitsirniq* (serving and providing for family and/or communities) to ensure the Corporation provides safe, reliable power to Nunavummiut. Across Nunavut, both federal and GN departments, agencies, and municipalities are mobilizing to provide improved infrastructure to Nunavummiut. As such, QEC operates at a time when load growth or electricity demand in each of Nunavut's regions is forecasted to increase. The Corporation is working diligently to keep up with this growing electricity demand across the territory.

The GN's Capital Plan to upgrade, expand, or replace infrastructure in communities is one driver of increasing electricity demand. QEC relies upon its relationship with the GN Department of Community and Government Services, and the analysis of the GN's annual Main Estimates, to gather information on the various major projects scheduled over the coming years. In addition to territorial and federal government driven projects, newly built houses and private enterprise initiatives are adding to the electricity demand in each community.

2.7 Power Plant Replacements

Typically, a power plant is designed to function for 40 to 50 years. The Corporation owns and operates 25 diesel power plants across Nunavut, 11 of which are operating beyond their intended life span. QEC undertakes capital projects to replace aging critical infrastructure needed to provide safe, reliable power to Nunavummiut.

Through QEC's capital program, the Corporation is able to rebuild power plants and perform major capital overhauls to aging infrastructure and equipment that is at the end of its lifecycle. QEC has prioritized power plant and generator set replacements in its capital plan, meeting environmental and regulatory requirements to address safety concerns.

Over the coming years, QEC will replace the Kugluktuk power plant with Nunavut's first solar-diesel hybrid power plant. This has been made possible in part through the Government of Canada's Arctic Energy Fund (AEF) which are cost shared 75:25 by AEF and QEC respectively. Additionally, seven diesel power generators will be replaced in the communities of Chesterfield Inlet, Coral Harbour, Pond Inlet (2 generator sets), Rankin Inlet, Clyde River, and Whale Cove.

2.8 Alternative Energy

QEC fosters the Inuit Societal Value of *Qanuqtuurniq* (being innovative and resourceful) regarding establishing alternative energy initiatives.

Currently all electricity generated by QEC relies on imported fossil fuel. Nonetheless, the Corporation continuously seeks ways to move toward a cleaner energy future by diversifying the territory's energy supply mix. QEC recognizes and supports the federal government's commitment to the *Pan-Canadian Framework on Clean Growth and Climate Change* and is actively engaged in securing funding to reduce reliance on diesel fuel and decrease emissions through the integration of alternative energy technology and the use of more energy efficient electricity generation systems.

Through Natural Resources Canada's Clean Energy for Rural and Remote Communities (CERRC) Program, and the Arctic Energy Fund, QEC has been able to fund the development of a solar project that will be part of the new power plant in Kugluktuk. QEC has also secured funding from Environment and Climate Change Canada's Low Carbon Economy Fund for the construction of district heating systems (DHS) in Sanikiluaq and Taloyoak. These two new projects are in addition to existing DHS in Iqaluit, Arviat, Kugluktuk, Pangnirtung, and Rankin Inlet. QEC continues to work collaboratively with the Government of Nunavut to identify federal funding and investment opportunities that allow QEC to pursue new alternative energy projects.

3.0 Inuit Employment Plan

QEC has developed an Inuit Employment Plan (IEP) to 2023 that addresses issues and opportunities to increase Inuit employment, sets short, medium and long-term goals to increase capacity, and contains an action plan to achieve the goals. As of September 30, 2019, QEC's Inuit employment rate was 49%.

3.1 Inuit Employment Initiatives

Since 2012, the Corporation has made efforts to strengthen Inuit employment through the establishment of five initiatives. Each initiative is an independent but interconnected recruitment or development strategy with the overall intent of moving both current Inuit employees and new Inuit hires into planned skills development and career opportunities.

1. The **Inuit Leadership Development Program (ILD)** aims to increase Inuit representation at the professional, middle, and senior management employment categories. The program features three streams of activity to support the development of Inuit employees to prepare them for leadership in the Corporation:
 - **Academic:** The program supports Inuit who wish to obtain certificates, diplomas, or degrees in an area of study that is beneficial to the Corporation.
 - **Experiential:** Inuit employees who have expressed interest and have shown dedication and commitment to professional growth are provided with temporary development assignments in professional and leadership roles. Five Inuit are currently on development assignments.
 - **Professional:** Corporation fully supports Inuit employees in obtaining professional licensing in their field. Two Inuit are currently pursuing professional accreditation in Accounting.
2. **Inuit Employee Career Development Plans** were established as part of QEC's commitment to lifelong learning for Inuit employees. Completing the development plan process with the support of the supervisor helps to ensure employees have the knowledge, skills, leadership competencies, and abilities to achieve their individual career goals within the Corporation.

Through formal education, on-the-job training, and meaningful work experiences, employees work towards the next step on their career ladder as identified in their career development plan. Lateral moves within the Corporation and between departments and positions also provide opportunities for cross training.
3. The **Summer Student Program (SSP)** provides students with an opportunity to work within the Corporation. Students are hired for positions in their home community, providing them with exposure to local employment opportunities. Students in the SSP may also be considered for other Inuit employment opportunities. There were 21 students hired over the 2019 summer employment term.
4. The **Apprenticeship Program** reduces dependency on hiring tradespeople from outside Nunavut. The recruitment of tradespersons from other jurisdictions continues to be a significant expenditure for QEC. Competition from companies both in and outside the territory has resulted in extended vacancies within QEC. This program focuses on hiring Inuit as apprentices, supporting them through the apprenticeship, and providing meaningful employment upon completion. This program is also a proactive step in providing QEC's Operations department with professional certified Inuit journeypersons.

5. The **Inuit Employment Plan (IEP) Steering Committee** is mandated to review, analyze and provide feedback to senior management on policies and employment practices that impact Inuit employment. The IEP Steering Committee acts as a formal group to exchange ideas, concerns and solutions related to the Corporation's IEP.

3.2 Inuit Employment

With more focused and responsive Inuit employment initiatives in place, QEC has established Inuit employment targets. The targets for 2019-2020 include maintaining or increasing the number of Inuit employees as outlined in our Inuit Employment Plan.

Priorities (2019-2020)

- Create career development plans for up to 50% of Inuit employees.
Status: The Corporation expects to complete this priority by March 31, 2020. As of October 2019, 32 career development plans have been completed.
- Seek college and trade school partnerships.
Status: Through the GN Department of Family Services, a relationship has been established between QEC and the Nunavut Artic College in collaboration with the Rankin Inlet trades school.
- Revamp apprenticeship program.
Status: Program redevelopment will continue until into the next fiscal year.
- Recruit two Inuit apprentices.
Status: Recruitment of Inuit apprentices will be deferred until the program redevelopment is completed.
- Assist current Inuit employees in attaining high school equivalency.
Status: A memo was distributed to all QEC employees advising them of the PASS program. Currently three employees are registered in the program through Nunavut Artic College and the Department of Education. Employees who do not have a high school diploma are being identified for selection to receive support in attaining high school equivalencies where the lack of this credential is a barrier to future employment prospects.
- Recruit an Inuk intern.
Status: The IEP Administrator intern commenced employment on September 3, 2019.

Priorities (2020-2021)

- Create career development plans for up to 75% of Inuit employees.
- Revamp Inuit Leadership Development Program.
- Develop targeted recruitment strategy by collaborating with local high schools and post-secondary institutions.

Priorities (2021-2022)

- Create career development plans for up to 90% of Inuit employees.

- Recruit two Inuit candidates into apprenticeship program.

Priorities (2022-2023)

- Support cultural immersion through active engagement with QEC's IQ committee.

4.0 Corporate Priorities

The Corporation's core priority is the generation and distribution of safe, reliable, and efficient energy across the territory. QEC's operations must ensure:

- Electrical systems are reliable and dependable;
- Environmental responsibility and safety;
- Attention to fuel efficiencies in both capital and operations phases; and
- Attention to purchasing, spending, and financial management practices.

4.1 Administration

The Corporation's administrative branch has three distinct yet interrelated sections: Office of the President and Chief Executive Officer (CEO), Corporate Affairs, and Legal Services. Working closely with the Board of Directors, the President and CEO leads QEC's strategic direction towards fulfilling its vision and mission, exercises overall leadership and management of the Corporation, and aligns the mandate of the Government of Nunavut with QEC's objectives. Corporate Affairs is responsible for overseeing the administration of corporate policies and reporting requirements, strategic planning, policy development, communications, inter-governmental and intra-governmental relations as well as providing support to all QEC departments and the Office of the President and CEO. Legal Services provides internal legal counsel and advice to secure the Corporation's interests.

Priorities (2019-2020)

- Implement QEC branding guidelines.
Status: The branding guidelines are anticipated to be completed by March 31, 2020.
- Review existing communication tools that are currently being utilized by QEC to better communicate with stakeholders.
Status: This review is expected to be completed by March 31, 2020.
- Track and monitor analytics for online presence.
Status: Expected to be completed by March 31, 2020. The communications team successfully completed back tracking for two previous years (2017 and 2018) and is working on the current calendar year.
- Implement corporate communications and social media policies.
Status: These policies have been completed and implemented.

- Conduct review of HR policies in collaboration with QEC's Department of HR.
Status: This review is complete and next steps have been identified.

Priorities (2020-2021)

- Develop internal policy guidelines.
- Develop crisis communications guidelines.
- Coordinate content for new intranet.
- Develop plan to promote QEC's 20th anniversary.
- Expand Energy Wise campaign promotion.

Priorities (2021-2022)

- Create community consultation guidelines.
- Promote QEC's 20th anniversary.
- Implement internal policy guidelines.
- Promote QEC as a top place for employment.
- Review Net Metering policy.

Priorities (2022-2023)

- Develop internal policy manual.
- Review Independent Power Producer policy.
- Review Social Media and External Communications policies.

4.2 Engineering

The Engineering Department is responsible for developing and implementing processes to ensure QEC provides safe, reliable, and efficient services to Nunavummiut. The Department also provides engineering design and technical support services to the Corporation. The Engineering team develops, maintains, and implements various corporate engineering standards and the capital plan. Engineering supports and partners with the Operations Department in ensuring that corporate business goals are consistently achieved at the lowest cost to customers, while achieving the highest possible standards in accordance with utility best practices.

Priorities (2019-2020)

- Complete upgrade of power distribution system in Resolute Bay.
Status: QEC expects this project to be completed by the end of summer 2020.
- Review QEC Project Management Standards.
Status: QEC expects this review to be completed by March 31, 2020.
- Complete all work related to new power plants in Grise Fiord and Cape Dorset.
Status: These projects are on schedule and are anticipated to be completed this fiscal year.

- Complete generator set replacement in Rankin Inlet, Coral Harbor, Chesterfield Inlet, Pond Inlet, Hall Beach, and Gjoa Haven.
Status: With the exception of Pond inlet and Gjoa Haven, all generator set replacements are on schedule to be completed this fiscal year. Pond inlet is on hold until 2020 due to a malfunction in another generator that would have been used as a backup during the planned replacement period. Due to safety concerns, QEC decided to postpone this project as this would have left no backup in case of emergencies. There were no bids submitted for the Gjoa Haven project, QEC is reviewing the tender and expects to retender the project in 2020.
- Tendering of Kugluktuk new power plant and distribution system extension project.
Status: The design contract is expected to be awarded by July 2020 and the construction contract by February 2021
- Complete Qikiqtaaluk Region electrical distribution survey.
Status: QEC expects the contractor to have completed the distribution survey by the end of 2019.
- Submit major project permit application (MPPA) for a new power plant in Arctic Bay.
Status: This MPPA is anticipated to be submitted by the end of 2019.

Priorities (2020-2021)

- Complete plant condition assessment in Chesterfield Inlet and Gjoa Haven.
- Complete generator set replacements Pond Inlet, Whale Cove, and Clyde River.
- Complete Kivalliq and Kitikmeot electrical distribution survey.
- Complete Arctic Bay electrical distribution system extension.
- Start construction of new District Heating Systems (DHS) in Taloyoak and Sanikiluaq.
- Start feasibility study to determine how the DHS system in Iqaluit can be expanded.
- Start design of new power plant in Arctic Bay.
- Submit MPPA for new power plant in Cambridge Bay.

Priorities (2021-2022)

- Based on the electrical distribution surveys conducted in previous years, create a work plan and prioritize identified projects for completion.
- Complete construction of new DHS in Taloyoak and Sanikiluaq.
- Start construction of new power plant in Arctic Bay.
- Start design of new power plant in Cambridge Bay, pending approval of MPPA.
- Start construction of new hybrid diesel/solar power plant in Kugluktuk.

Priorities (2022-2023)

- Initiate DHS project in Iqaluit based on feasibility study report and funding availability.
- Complete construction of new power plant in Arctic Bay.
- Start construction of new power plant in Cambridge Bay.

4.3 Operations

The Operations Department is responsible for the efficient generation and distribution of safe and reliable energy in all Nunavut communities. Each community has its own power plant staffed by employees who live in the community. Local employees are supported by electrical, mechanical, and line trades people based in the regional centers of Cambridge Bay, Iqaluit and Rankin Inlet. The Operations Department is a knowledgeable and accountable team with a strong focus on safety and quality customer service.

Priorities (2019-2020)

- Conduct territorial protection device assessment of all power plant infrastructure to increase energy efficiency and reliability.
Status: QEC expects the assessment to be completed by March 31, 2020.
- Apply necessary changes to the inventory control system flowing from defined action plan.
Status: New control processes are in place. Further refinements and continuous improvement will take place as necessary.
- Implement departmental data reporting methods and deliver to Operations staff.
Status: Daily/weekly reporting implemented. Further refinement and continuous improvement process underway.

Priorities (2020-2021)

- Expand existing safety program to address unsafe conditions in the workplace in collaboration with the Health and Safety division
- Update Annual Work Plan, Annual Resource Plan, and Preventative/Predictive Maintenance program.
- Update weekly maintenance planning and scheduling process.

Priorities (2021-2022)

- Develop metrics to measure updated Annual Work Plan performance in terms of improved reliability and cost control.
- Develop metrics to measure success of updated weekly planning and scheduling processes.

Priorities (2022-2023)

- Review cost estimation process at the individual work order level for materials and labour.
- Review Annual Work Plan, Annual Resource Plan and Preventative/Predictive Maintenance program.

4.4 Finance

The Finance Department is located in the QEC Head Office in Baker Lake, and has regional offices in Cambridge Bay, Iqaluit, and Rankin Inlet. Finance is responsible for providing support to all other QEC departments as well as providing accurate and timely reporting to stakeholder groups internal and external to QEC. Some key function areas of the department include: financial accounting and reporting, regulatory affairs, risk management, budgeting, planning, and analysis.

In addition, the department manages all of the Corporation's logistics and procurement activities through the Supply Chain Management Division. The Customer Care Division handles all billing, collections, and customer service activities, while the Payroll, Benefits, and Pensions Division works closely with the Human Resources Department to provide support to QEC employees.

The department ensures financial controls are in place to protect QEC assets and revenues as well as guaranteeing funding is available to support corporate needs. It also plays a critical role in supporting all capital and O&M endeavors. The Finance Department focuses on efficient and effective functional and governance requirements and services.

Priorities (2019-2020)

- Assess feasibility of digitizing all finance documents to reduce paper handling and filing, and improve transfers of information between departments in collaboration with IT.
Status: The review is anticipated to begin in the fourth quarter of fiscal 2019-2020.
- Commence any required modification of existing financial processes as identified by the review of the Enterprise Resource Planning system.
Status: Work on this priority started in the third quarter of fiscal 2019-2020.
- Review inventory management solutions in collaboration with the IT and Operations departments.
Status: The review is underway and will be completed in 2020-2021.
- Develop *mechanisms* that support the preparation and filing of the next General Rate Application.
Status: Due to staffing shortage, this priority has been deferred until 2020-2021.
- Commence review and development of Key Performance Indicators.
Status: This review started in the third quarter of 2019-2020, QEC anticipates that the review will be completed this fiscal year. Development of the KPIs will commence in 2020-2021.
- Work with departments and the Territorial Corporations to share best practices and improve both QEC and the GN's procurement, project management and monitoring processes.
Status: QEC recently hired a procurement manager with ten years GN experience. It is anticipated that this will assist in refining the procurement process at QEC.
- Implement new inventory control processes in collaboration with Operations department
Status: QEC has implemented an Inventory Usage Form and inventory reporting mechanism.

Priorities (2020-2021)

- Implement additional inventory control processes.
- Complete review and development of Key Performance Indicators.
- Complete review of inventory management software solutions.

Priorities (2021-2022)

- Commence customer survey to assess progress in dealing with customers' concerns and develop plan to improve areas where issues are identified.
- Implement Key Performance Indicators.
- Evaluate new inventory processes.

Priorities (2022-2023)

- Review Great Plains accounting system.
- Implement changes to customer care processes based on feedback arising from the customer survey.
- Evaluate Key Performance Indicators deployment.

4.5 Health, Safety, Environment and Facilities

The Health, Safety, Environment, and Facilities (HSEF) Department is responsible for the overall administration of the Corporation's environment and safety management practices. HSEF ensures QEC operates in an environmentally conscious and responsible manner through the timely response and coordination of any environmental incident. HSEF is responsible for ensuring all QEC employees understand their rights and responsibilities on issues that have an impact on their occupational health and safety. The HSEF team has established an employee safety program and delivers occupational health, safety, and environmental training to all employees. HSEF is also responsible for ensuring QEC complies with all applicable federal and territorial health, safety, and environmental legislation. The HSEF department is responsible for the management, maintenance, and administration of QEC's real estate property portfolio; this includes owned and leased staff housing units/commercial facilities, plants, and land.

Priorities (2019-2020)

- Develop hearing conservation plan for QEC and deliver hearing conservation testing.
Status: No quotes were received for the original RFQ so an IRFQ was requested. The quote received was over budget so this requirement will have to be revisited.
- Successfully complete Certificate of Recognition (COR) external audit.
Status: QEC passed its COR external audit with a score of 86%.
- Update the Safety Rule book to reflect changes to the Health and Safety manual.

Status: QEC anticipates the updated safety rule book to be completed March 31, 2020.

Priorities (2020-2021)

- Create online arc flash awareness program to be used internally for new and existing employees.
- Create and implement new tracking system for HSEF training courses. This system should be able to prompt expiration dates, notify of upcoming courses, track certificates, and generate training stats.
- Implement new Staff Housing Policy and Procedure Manual.
- Start construction of new head office in Baker Lake.

Priorities (2021-2022)

- Develop and implement online Work Protection Code training program for contractors and employees.
- Complete construction of a new head office in Baker Lake.
- Complete restructure and update of the Environmental Manual and associated standard operating procedures.

Priorities (2022-2023)

- Create a Standard Operating Procedure Manual for environmental/health safety procedures and safe work practices.
- Remove approximately 1500 meters of single-walled underground piping that tie into QEC's fuel system in Kugluktuk.

4.6 Human Resources

The Human Resources (HR) Department is responsible for staffing/recruitment, job evaluation, employee/labour relations, training, Inuit employment programs, and overall strategic/operational HR initiatives for the Corporation. The Department further ensures that all of the Corporation's HR activities are completed in compliance with Inuit Qaujimajatuqangit (IQ), Article 23 of the *Nunavut Agreement*, applicable employment legislation, directives, human resources policies, employment contracts and Collective Agreements. The HR Department designs and implements progressive HR plans that enhance overall corporate capacity, and ensure the Corporation successfully meets the growing energy demands of Nunavummiut.

Priorities (2019-2020)

- Implement Time Capture, Attendance Management, Human Resources Information systems.

Status: A contract has been signed with a vendor. Phase 1 is scheduled for completion in January 2020. Phase II (full functionality) is anticipated to be completed by October 2020.

- Assess potential Applicant Tracking System
Status: A contract has been signed with a vendor. The expected completion date is August 31, 2020.
- Assess effectiveness of QEC Performance Management System.
Status: A comprehensive review is anticipated to be completed by March 31, 2020.
- Develop respectful workplace training.
Status: Respectful workplace training has been developed and delivered to QEC's Head office, Cambridge Bay and Rankin Inlet regional offices and for all plant operators during QEC's annual plant operator training workshop in October 2019.
- Implement cultural orientation training.
Status: New employees are actively being advised to attend Cultural Competency Workshops offered by the Government of Nunavut. Updates with availability of GN training courses have been sent to all employees.

Priorities (2020-2021)

- Commence update of HR policies arising from review in collaboration with Corporate Affairs department.
- Implement Applicant Tracking System.
- Deliver respectful workplace training.
- Implement updated Performance Management System.

Priorities (2021-2022)

- Continue update of HR policies in collaboration with Corporate Affairs department.
- Evaluate Human Resources Information systems.
- Evaluate Applicant Tracking System.
- Evaluate respectful workplace training.
- Develop employee engagement survey to assess and improve employment experience at QEC.

Priorities (2022-2023)

- Develop supervisor and management orientation for those new to their positions.
- Evaluate findings of the employee engagement survey and develop strategies to implement improvements.

4.7 Information Technology

The Information Technology (IT) Department provides critical support to the Corporation through a series of services that includes the ongoing development of integrated computer systems and technology, data communications, and on demand IT assistance and support. The goal of the department is to provide a foundation for all departments to ensure information is available to make timely and accurate business decisions.

Priorities (2019-2020)

- Implement electronic billing to customers based on the results of internal testing.
Status: QEC expects to implement electronic billing this fiscal year.
- Begin comprehensive review of Information Technology policies.
Status: All IT policies have been reviewed and next steps identified.
- Review implemented software and technologies to ensure proper business relevance.
Status: IT is currently reviewing software located in Baker Lake and Iqaluit. This review is anticipated to be completed this fiscal year.
- Implement Human Resources Information System Software (HRIS).
Status: A contract has been signed with a vendor and phase 1 is scheduled for completion in January 2020.
- Review Inventory Management solutions.
Status: Internal conversations are continuing with QEC departments of Finance, Operations and IT. The review is anticipated to be completed in 2020-21 followed by the development of a work plan.
- Review Property Management software.
Status: QEC has selected a vendor and will start the implementation of software this fiscal year.

Priorities (2020-2021)

- Complete review and update of Information Technology policies.
- Complete implementation of HRIS.
- Implement Property Management software.

Priorities (2021-2022)

- Review existing communications and internet infrastructure.
- Review existing software to ensure alignment with corporate needs.

Priorities (2022-2023)

- Review benefits of on-premise vs. off-premise data storage.
- Develop work plan to address gaps identified arising from previous year's review of existing infrastructure and software.

5.0 Conclusion

QEC is committed to ensuring there is a safe, reliable, sustainable, and affordable energy supply in Nunavut. We recognize the need to reduce our dependence on fossil fuel and are actively seeking ways to diversify our energy sources. We continue to expand and enhance the ways in which we communicate with our communities and examine methods to improve our interactions with customers.

We look forward to strengthening our workforce through the ongoing training and development of Nunavut Inuit employees. Ensuring that Inuit Qaujimagatuqangit are incorporated into day-to-day operations is key to fostering a positive work environment and supporting Inuit recruitment and retention. It is through strong leadership, transparency, and diligent oversight that we will ensure our goals and priorities are achieved.

Simeonie Akpalialuk

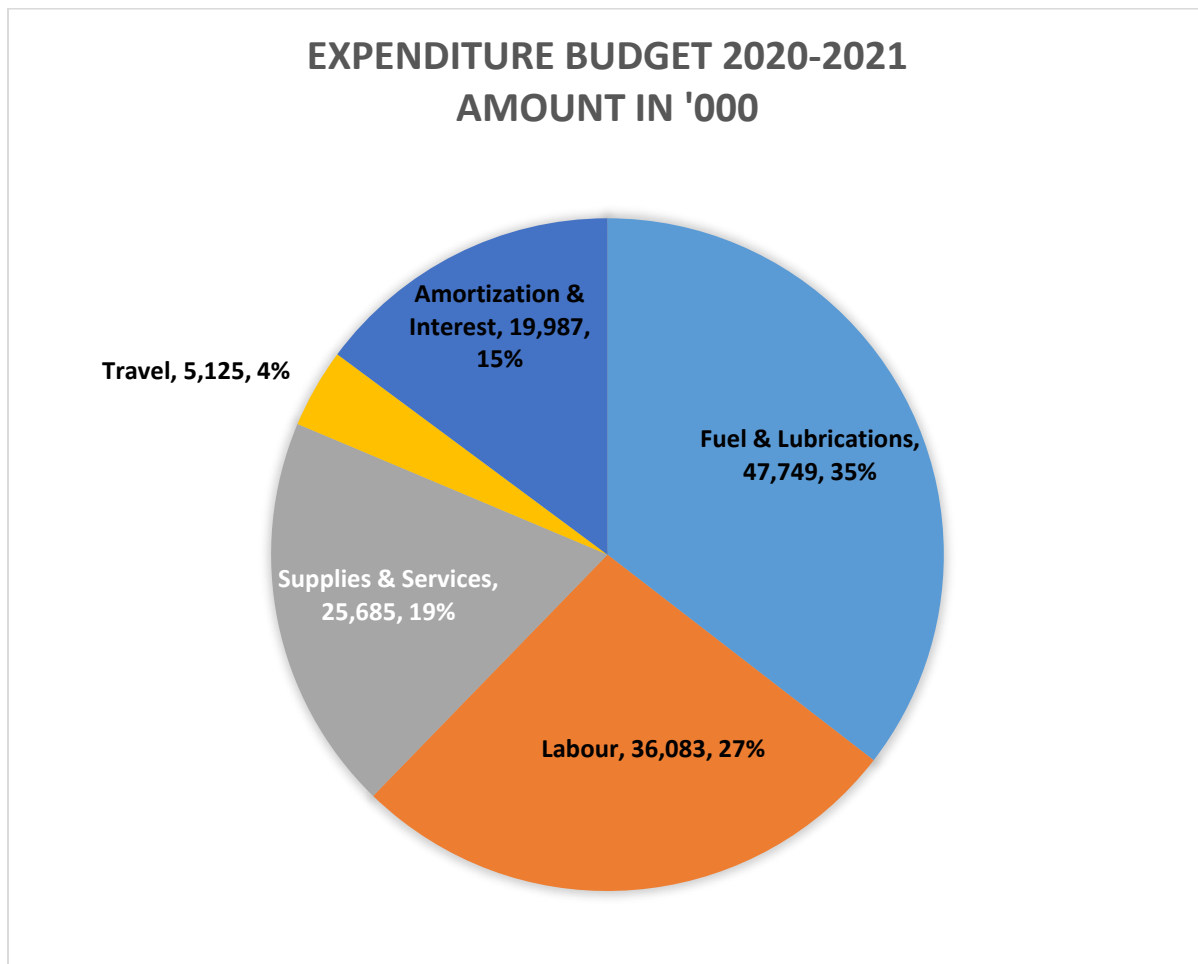
Chairperson, Board of Directors
Qulliq Energy Corporation

Appendix A - 2020-2021 Capital Budget

Community	Description	
Cambridge Bay	Staff house renovation 3 Tuktu	
Cambridge Bay	Staff house renovation 6 Tuktu	
Gjoa Haven	Quonset hut garage	
Taloyoak	Installation of District Heating System	
Taloyoak	Quonset hut garage	
Kugaaruk	RBD line truck	
Kugluktuk	Power plant replacement	
Kugluktuk	500kW Solar PV Panel Project	
	Kitikmeot Region	\$29,364,000
Baker Lake	Head office building	
Whale Cove	Generator set replacement	
	Kivalliq Region	\$9,678,000
Pangnirtung	RBD Truck	
Resolute Bay	Transient staff house renovation	
Pond Inlet	Generator set replacement G4	
Arctic Bay	Power plant replacement	
Clyde River	Generator set replacement G3	
Clyde River	Generator set replacement G2	
Sanikiluaq	Installation of DHS system	
	Qikiqtaaluk Region	\$16,727,000
Corporate	Computers and program upgrades	
	Unidentified capital projects	
	Corporate	\$617,000
TOTAL CAPITAL EXPENDITURES BEFORE GOVERNMENT CONTRIBUTIONS		\$56,386,000
LESS	Arctic Energy Fund Contribution	\$25,828,000
	Low Carbon Emissions Fund Contribution	\$4,614,000
	Clean Energy for Rural and Remote Communities	\$2,167,000
	Total Contributions	\$32,609,000
QEC NET CAPITAL COST BUDGET		\$23,777,000

Appendix B - 2020-2021 Operations & Maintenance Budget

Amounts in '000		Territorial	Qikiqtaaluk	Kivalliq	Kitikmeot	Total
Revenue	Sales of Power		71,517	35,209	27,050	133,776
	Sales of Residual Heat	1,260				1,260
	Other Revenue	39,014		180	480	39,674
Total Revenue		40,274	71,517	35,389	27,530	174,710
Expenses	Fuel & Lubrications		27,669	12,073	8,007	47,749
	Labour	20,848	8,614	3,843	2,778	36,083
	Supplies & Services	16,518	4,042	2,747	2,378	25,685
	Travel	3,149	1,290	384	302	5,125
	Amortization & Interest	19,987				19,987
Total Expenses		60,502	41,615	19,047	13,465	134,629



BUDGET SUMMARY REPORT 2020-2021

	AMOUNT IN CAD
TOTAL REVENUE	174,710,000
Fuel and lubricants	47,749,000
	<hr/>
GROSS MARGIN	126,961,000
Payroll	36,083,000
Supplies & Services	25,685,000
Travel & Accommodation	5,125,000
	<hr/>
TOTAL OPERATING EXPENSES	66,893,000
	<hr/>
EARNINGS BEFORE INTEREST TAX DEPRECIATION AND AMORTIZATION	60,068,000
Amortization & interest	19,987,000
	<hr/>
NET INCOME	40,081,000
	<hr/>

Appendix C – Employment Summary

Departmental Inuit Employment Targets				
Qulliq Energy Corporation	As at Sep. 30 2019		For March 31, 2021	
		Capacity %		Capacity %
Total Department Positions	209.4		206.8	
Total Filled Positions	183.8	88%	192.4	93%
Total Vacancies	25.6	12%	14.4	7%
Total Beneficiaries	90.8	49%	102.4	53%
Total Executive Positions	2		2	
Total Filled Executive Positions	2	100%	2	100%
Total Vacant Executive Positions	0	0%	0	0%
Total Beneficiaries in Executive Positions	1	50%	1	50%
Total Senior-Management Positions	10		7	
Total Filled Senior-Management Positions	9	90%	7	100%
Total Vacant Senior-Management Positions	1	10%	0	0%
Total Beneficiaries in Senior-Management Positions	0	0%	0	0%
Total Middle-Management Positions	29		22	
Total Filled Middle-Management Positions	21	72%	20	91%
Total Vacant Middle-Management Positions	8	28%	2	9%
Total Beneficiaries in Middle-Management Positions	4	19%	2	10%
Total Professional Positions	99		15	
Total Filled Professional Positions	91	92%	14	93%
Total Vacant Professional Positions	8	8%	1	7%
Total Beneficiaries in Professional Positions	32	35%	0	0%
Total Paraprofessional Positions	44.4		97	
Total Filled Paraprofessional Positions	38.8	87%	90	93%
Total Vacant Paraprofessional Positions	5.6	13%	7	7%
Total Beneficiaries in Paraprofessional Positions	31.8	82%	43	48%
Total Administrative Positions	25		63.8	
Total Filled Administrative Positions	22	88%	59.4	93%
Total Vacant Administrative Positions	3	12%	4.4	7%
Total Beneficiaries in Administrative Positions	22	100%	56.4	95%

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