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Qulliq Energy Corporation
Société d'énergie Qulliq
Qulliq Alruyaktuqtunik Ikumatjutiit

Corporate Plan 2022-2026

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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. Operations were then 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 customer-focused renewable energy generation programs.

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, 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 inter-governmental 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 Qaujimajatuqangit and *Katujjiluta* the mandate of the sixth Legislative Assembly of the Government of Nunavut. QEC operates as an enterprise with transparency, accountability and integrity.

1.2 Mission

Qulliq Energy Corporation 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, 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.

Qulliq Energy Corporation supports the following key priority areas of the Katujjiluta Mandate of the 6th Legislative Assembly:

- (a) Aging with Dignity in Nunavut
- (b) Enabling Health and Healing
- (c) Re-investing in Education
- (d) Diversifying our local economies

Aging with Dignity in Nunavut

Under the action item *'Encourage community-based initiatives to provide elders/seniors programming and supports for independent or assisted living'*, QEC collaboratively administers two Subsidy Programs with the Government of Nunavut, the Department of Finance's Nunavut Electricity Subsidy Program and the Nunavut Housing Corporation's User Pay Program. During Covid19, QEC reserved the first hour of its Customer Care office operations to serving seniors and other vulnerable groups.

Enabling Health & Healing

Under the action item *'Re-invest in suicide prevention and postvention programs with our partners with an emphasis on those that address root causes such as child sexual abuse, trauma, bullying and discrimination'*, QEC contributes to the overall Priority in terms of respect in the workplace. This includes training on bullying, harassment and discrimination.

Re-investing in Education

Under the action item *‘Increase opportunities for pre-employment work experiences for high school and post-secondary students throughout the year’*, QEC administers an active Summer Student Program with the objective of finding qualified young people who will seek employment at QEC in the future.

Under the action item *‘Enhance indirect supports for post-secondary learners’*, QEC supports learning by paying for employee training and the acquisition of professional designations.

Under the action item *‘Prepare and implement a multi-year training strategy with Inuit organizations and other partners to enable development of Nunavut’s labour force and economy’*, QEC has 5 Inuit Employment initiatives.

Diversifying our Local Economies

Under the action item *‘Investigate the potential for alternative building technologies to be used and manufactured in Nunavut, with an emphasis on energy-efficient and climate-friendly construction’*, QEC remains committed to developing the territory’s infrastructure base, a critical component of ensuring safe and reliable power for Nunavummiut. QEC endeavors to further the Corporation’s alternative energy initiatives in Nunavut through partnerships with federal, territorial, municipal governments and Inuit organizations. This action item is in line with the QEC Act.

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, 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 (NESP).

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 cents/kWh, for customers in this program.

The Nunavut Electricity Subsidy Program is offered to 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 with a gross revenue of less than two million dollars.

QEC submits applications for rate changes to the Minister responsible for QEC, who then seeks 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 determines whether to approve the URRRC's recommendation, approve QEC's request or provide a new option.

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's electricity rates are based on the Corporation's revenue requirements: capital investments, fuel costs and non-fuel costs such as operations and maintenance, travel and wages. 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's most recent General Rate Application (GRA) was submitted 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.

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 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. Customers under the User Pay Program are exempt from FSR riders.

With Cabinet approval, QEC implemented a 1.29 cent per kilowatt-hour (kWh) FSR rider refund from April 1, 2021 to September 30, 2021. There is currently no fuel rider for the six-month period of October 1, 2021 to March 31, 2022, as the FSRF forecast is within the plus or minus 1-million-dollar threshold.

Based on forecasts, QEC filed a courtesy FSR for the next six months effective April 1, 2022 to September 30, 2022. A rider was not proposed as the FSRF balance is expected to be below the 1-million-dollar threshold.

2.3 Environmental

QEC operates in some of the most difficult environmental conditions of any utility in the world. Weather, distance and darkness generate stresses on employees, assets and equipment. These factors present a challenge for our operations and maintenance teams.

QEC operates in some of the most environmentally fragile locations in the world and endeavors to protect these environments locally, through strong environmental protections practices and globally, through reducing the use of diesel fuel for power generation. The Corporation's expectation to abide by *Avatittinnik Kamatsiarniq* (respect and care for the land, animals and the environment) is reflected in its environmental protection measures. QEC abides by legislative and regulatory standards for the removal and remediation of environmental contamination. The Corporation has committed to implementing remedial measures when human health is at risk.

QEC is aware of 28 legacy contamination sites from the historical operations of the NCPC. QEC has determined through legal opinions that the Government of Canada is responsible for the majority of the legacy contamination on QEC sites based upon the principle of "polluter pays". QEC is responsible for the ongoing monitoring, mitigation and remediation of environmental liabilities that occur on QEC lands.

2.4 Economic

QEC's largest operations and maintenance expense is for 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. QEC has launched its suite of renewable energy initiatives to reduce overall diesel consumption. The cost of renewable energy remains tied, at least in part, to the price of diesel. This means that Nunavut will continue to pay diesel prices, or higher, for power regardless of its generation source.

QEC's borrowing capacity of \$250 million is linked to the GN's debt ceiling. QEC does not receive appropriations from the GN, instead receiving funds from the sale of electricity to customers. QEC relies on its status as a monopoly, in order to effectively share the significant capital costs associated with energy generation in Nunavut. QEC's customer base is too small to be able to fund large capital projects cost effectively. Maintaining the entire customer base ensures that these large costs are shared by as many customers as possible so that each individual customer pays less for energy.

QEC's small customer base and the significant cost of its power generation projects, limits QEC's financial ability to pursue renewable energy studies and projects, as well as, initiate upgrades to its aging power systems. To augment these limited resources, QEC needs to foster investment partnerships with the territorial and federal government for renewable energy projects and to fund upgrades to the existing diesel infrastructure that will continue to serve as a back-up power supply.

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 and reliable power to Nunavummiut. Across Nunavut, both federal and GN departments, agencies and municipalities have mobilized to provide improved infrastructure to Nunavummiut. QEC thus 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 the growing electricity demand across the territory.

The GN's Capital Plan to upgrade, expand or replace infrastructure in communities is one driver to increase electricity demand. QEC relies upon its relationship with the GN Department of Community and Government Services, to gather information on the 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 and 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.

QEC has constructed a new power plant in Arctic Bay. Through the Government of Canada's Arctic Energy Fund (AEF), QEC anticipates replacing the Kugluktuk, Cambridge Bay, Igloolik, Gjoa Haven, Cambridge Bay, Kugaaruk and Chesterfield inlet power plants and 9 diesel power generators in the communities of Iqaluit, Chesterfield Inlet, Coral Harbour, Pond Inlet (2 generator sets), Rankin Inlet, Clyde River (2 generator sets) and Whale Cove. The diesel power generators in Chesterfield Inlet, Coral Harbour and Rankin Inlet were completed in 2019-20, while the replacement of a generator set in Pond Inlet was completed in 2020-21. These projects are cost shared 75:25 by AEF and QEC respectively.

2.8 Alternative Energy

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

Currently, almost 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 Government of Nunavut'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.

QEC is working to reduce its reliance on diesel through the launch of its third party power generation programs. In 2018, QEC launched its Net Metering Program (NMP). Net Metering allows residential customers and one hamlet account per community to generate their own electricity supply using renewable sources and send surplus electricity they produce to the electrical grid in exchange for an energy credit. This program was the first step for QEC in connecting renewable energy to its grid; a process that continues with the development of larger power producer programs. As of February 2022, there were 20 NMP applications received, 15 bi-directional meters installed and 5 system installations in progress.

QEC launched the Commercial and Institutional Power Producers (CIPP) renewable energy program in March 2021. The CIPP program allows existing commercial and institutional customers to generate renewable energy on their premises using renewable energy systems. Through the CIPP program, all energy generated must be sold to QEC and bought back at the applicable community rate. QEC has received 5 applications, of which, 2 have been approved, 1 is unviable and 2 are under review.

QEC is developing an Independent Power Producers (IPP) renewable energy program, which, will allow for larger scale independent power producers to generate renewable energy and sell all the power generated to QEC. QEC anticipates launching the IPP program in late 2022.

QEC pays CIPP proponents the avoided cost of diesel (the price QEC pays for diesel per kilowatt-hour) to ensure that the program does not result in an increase electricity costs for QEC's customers. In developing the IPP program and reviewing the CIPP program, QEC received Ministerial instruction to commission a report on alternative pricing structures. QEC appointed a rate regulation Consultant to develop a *Specialized Rate Strategy* report. QEC is in discussion with its GN stakeholders on the findings of this report and to determine the next steps, including a price for power that is economically viable for Nunavummiut.

Through the Government of Canada's Clean Energy for Rural and Remote Communities (CERRC) Program and the AEF, 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 secured additional funding from Environment and Climate Change Canada's - Low Carbon Economy Fund for the construction of District Heating Systems (DHS) in Sanikiluaq and Taloyoak. The Sanikiluaq project is completed and operational. The Taloyoak project is scheduled for completion in 2023. Feasibility studies, funded by Crown-Indigenous Relations and Northern

Affairs Canada's - Northern REACHE Program, showed promising results for a DHS expansion in Baker Lake and an exhaust gas heat recovery unit (EGRU) in Iqaluit. This study has been completed. QEC has existing DHS in Iqaluit, Arviat, Kugluktuk, Pangnirtung, Rankin Inlet and Sanikiluaq.

In 2018, QEC completed phase I of a feasibility study on the potential for geothermal resource development for Nunavut. QEC secured partial funding from Canadian Northern Economic Development Agency (CanNor) to execute phase II of this initiative; for data collection at Baker Lake, Resolute Bay and Cambridge Bay. QEC has cancelled its Phase II funding agreement with CanNor and reapplied for Phase IIb which includes exploring geothermal storage in Baker Lake, allowing heat to be stored until needed for use in Baker Lake's existing DHS. 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) 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, 2021, QEC's Inuit employment rate was 56%.

3.1 Inuit Employment Initiatives

The Corporation continues to make efforts to strengthen Inuit employment through the establishment of 5 separate but associated initiatives. Each element 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** aims to increase Inuit representation at the professional, middle and senior management employment categories. The program features 3 streams of activity to support the development of Inuit employees and 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 development assignments in professional and leadership roles. 11 Inuit are currently on development assignments.
 - **Professional:** The Corporation fully supports Inuit employees in obtaining professional licensing in their field. 2 Inuit are currently pursuing professional accreditation in their vocational fields.
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 Supervisors helps to ensure Inuit 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, internships and meaningful work experiences, Inuit 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 twelve students hired over the 2021 summer employment term.
4. The **Apprenticeship Program** reduces dependency on hiring transient trades from outside Nunavut. The recruitment of trades workers 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 their apprenticeship and providing professional employment upon completion.
5. The **Inuit Employment Plan Steering Committee** is mandated to review, analyze and provide feedback to senior management on policies and employment practices that impact Inuit employment. The committee acts as a formal group to exchange ideas, concerns and solutions related to the Corporation's Inuit Employment Plan.

3.2 Inuit Employment

With more focused and responsive Inuit employment initiatives in place, QEC has established Inuit employment targets. The targets for 2021-2022 include maintaining or increasing the number of Inuit employees as outlined in our Inuit Employment Plan.

Priorities (2022-2023)

- Recruit four Inuit apprentices.
- Develop an Internship Program.
- Recruit two Inuit interns.

Priorities (2023-2024)

- Create a Coaching and Mentorship Program.
- Offer coaching and mentorship opportunities to interested employees.
- Recruit an intern for Senior Management role.

Priorities (2024-2025)

- Create training programs to target Plant Superintendents, Plant Operators and Assistant Operators.

Priorities (2025 – 2026) April - October

- Recruit QEC Internship Program outcome. Determine if additional FTE/PY are required.

- Review QEC Apprentice Program outcome. Determine if additional FTE/PY are required.

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 3 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. The Legal Counsel oversees internal and external legal resources, when and where applicable, to secure the Corporation's best interests.

Priorities (2022-2023)

- Develop Corporate Planning process manual.
- Finalize Board of Director's Manual.
- Approval of Corporate Policies on Motor Vehicle, Environmental Protection, Information Technology and Housing Policy by the Union.
- Approval of Housing Procedures.
- Conclude two audits – draft and final reports.
- Confer with QEC's stakeholders on the Commercial and Institutional Power Producers Program - Specialized Pricing Strategy report.
- Finalize and launch the revised Commercial and Institutional Power Producers Program.
- Finalize and launch Independent Power Producers Program.
- Confer with QEC's stakeholders on the Net Metering Program review report.
- Finalize and launch the revised Net Metering Program.
- Update Corporate Policies on Transient Housing, QEC's Policy Manual, Air Charter and Land Acquisition and Disposal in collaboration with the respective departments.
- Deploy QEC's Privacy Impact Assessment procedure.
- Deploy ATIPP training for Senior Management team and other Managers.
- Plan for new Government reporting procedures.
- Design and develop a Database Management System for Corporate Planning.

- Develop Communications process manual.
- Assess corporate website structure in collaboration with IT.
- Coordinate content for new intranet.
- Expand Energy Wise campaign promotion.
- Develop and implement communication plan for General Rate Application.

Priorities (2023-2024)

- Conduct a Corporate Policy review and identify gaps.
- Based on policy gap analysis, begin priority policy planning and development.
- Launch Communications process manual.
- Create community consultation guidelines.
- Develop plan to update website structure based on assessment in collaboration with IT.
- Implement Communication Plan to share changes and new customer care processes and improvements.

Priorities (2024-2025)

- Develop / revise Corporate Policies in collaboration with the respective departments.
- Conduct Program Evaluations – Net Metering, Commercial and Institutional Power Producers Program and Independent Power Producers Program.
- Finalize new website content.

Priorities (2025-2026) April - October

- Continue to develop new Corporate Policies.
- Program revision if required - Net Metering, Commercial and Institutional Power Producers Program and Independent Power Producers Program.
- Develop communications plan to launch new public website.
- Conduct research on available communications tools and platforms to improve efficiency.

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 (2022-2023)

- Complete connection of emergency generation set in Gjoa Haven.
- Complete Sanirajak, Sanikiluaq and Igloolik electrical distribution upgrades.
- Complete construction of new District Heating System in Taloyoak.
- Complete the distribution work and close the new Arctic Bay Power Plant project.
- Start design of new power plant in Cambridge Bay, Igloolik and Gjoa Haven.

- Start replacement of G2 generator set in Clyde River.
- Start replacement of Iqaluit G4 generator set.
- Start replacement of Baker lake G4 generator set.
- Start replacement of G3 generator set in Sanikiluaq
- Start Grise Fiord, Whale Cove and Sanirajak Substation upgrade project
- Start construction of hybrid diesel/solar power plant in Kugluktuk.

Priorities (2023-2024)

- Based on previous electrical distribution surveys conducted, create a work plan and prioritize identified projects for completion.
- Start construction of new power plants in Cambridge Bay, Igloolik and Gjoa Haven.
- Start design of new power plant in Kugaaruk and Chesterfield inlet.
- Complete Iqaluit G4 and Baker Lake G4 Genset Replacement project.

Priorities (2024-2025)

- Complete the construction of the hybrid power plant in Kugluktuk and close the project.
- Start construction of new power plants in Kugaaruk and Chesterfield Inlet.
- Continue construction of new power plants in in Cambridge Bay, Igloolik and Gjoa Heaven.

Priorities (2025-2026) April - October

- Complete the construction of new power plants in Cambridge Bay, Igloolik and Gjoa Haven.
- Continue the construction of new power plants in Kugaaruk and Chesterfield Inlet.

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 (2022-2023)

- Purchase and Implement Computerized Maintenance Management System (CMMS) to improve maintenance planning & scheduling.
- Promote new Observation Reporting System to improve proactive reporting of unsafe conditions.
- Complete final commissioning and connection of the new Arctic Bay Power Plant.
- Continue territorial LED streetlight conversion.

Priorities (2023-2024)

- Review cost estimation process in the Computerized Maintenance Management System at the individual work order level for materials and labour.
- Review of best practices employed by other off-grid diesel generating utilities.
- Finish territorial LED streetlight conversion.

- Complete final commissioning and connection of the new Kugluktuk power plant.

Priorities (2024-2025)

- Support construction of new plants in Cambridge Bay, Igloolik, Gjoa Haven, Kugaaruk, and Chesterfield Inlet.
- Support corporate initiatives related to renewable or non-carbon emitting generation.
- Perform assessments with Engineering to Optimize prime mover assets with remaining useful life, in the diesel plants being replaced.

Priorities (2025-2026) April - October

- Support construction of new plants in Cambridge Bay, Igloolik, Gjoa Haven, Kugaaruk, and Chesterfield Inlet.
- Support corporate initiatives related to renewable or non-carbon emitting generation.
- Undertake review of worst performing systems and develop action plans to address it.

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 (2022-2023)

- Commence any required modification of existing financial processes as identified by the review of the Enterprise Resource Planning system.
- Commence customer survey to assess progress in dealing with customers' concerns and develop plan to improve areas where issues are identified in collaboration with Corporate Affairs.
- Review Great Plains accounting system in collaboration with IT.
- Based on feedback from customer survey, implement changes to customer care processes in collaboration with Corporate Affairs.
- Evaluate Key Performance Indicators deployment.

Priorities (2023-2024)

- Implement action items stemming from Great Plains review in collaboration with IT.
- Develop training plans for staff to improve customer service based on customer survey results.

Priorities (2024-2025)

- Implement continuous training and development modules for customer care staff to improve customer service.

Priorities (2025-2026) April - October

- Develop and launch a Finance Associate Rotational (FAR) Program with emphasis on building a Best in Class Finance Business Partner Team.
- Evaluate automation in Finance processes towards improving data analysis, forecasting and reporting accuracy to mitigate financial risk and inform actionable insights.
- Develop & implement a Finance Team Building event to promote collaboration.

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 (2022-2023)

- Implement new Staff Housing Policy and Procedures Manual.
- Launch the new tracking system for HSEF training courses.
- Complete re-structure and update of the Environmental Manual and associated Standard Operating Procedure Manual.
- Complete re-structure and update of the Environmental Manual and associated Standard Operating Procedure Manual.
- Implement Transient Housing Policy and develop Procedures.
- Implement the Staff Housing Policy and Procedure Manual.
- Complete construction of new head office in Baker Lake.
- Complete an external safety audit to maintain Certificate of Recognition accreditation.

Priorities (2023-2024)

- Establish preventative maintenance schedule for Facilities' assets.

- Audit existing health, safety and environment training packages to ensure that they are in compliance with current regulations and industry best practices.
- Decommission the Arctic Bay old power plant fuel system.

Priorities (2024-2025)

- Review and revise the 2019 version of the Health and Safety Manual and the 2020 Safety Rule Book.
- Complete a comprehensive gap analysis of existing Health and Safety program and Nunavut Occupational Health and Safety Regulations.
- Review tenant damage process and collections and develop procedure manual.

Priorities (2025-2026) April - October

- Develop comprehensive asset management strategy for corporate housing assets in major hubs.
- Develop safety and health strategy with goal of world class performance.

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 (2022-2023)

- Update excluded and Senior Management employee manuals.
- Based on the GN HR best practices review, commence update of HR policies and employee onboarding.
- Develop Supervisor and Manager orientation for new hires.

Priorities (2023-2024)

- Develop employee retention strategy.
- Conclude addressing action items identified in HR Best Practice Review.
- Conclude update of HR policies.

Priorities (2024-2025)

- Develop employee engagement survey to assess and improve employment experience at QEC.
- Review employee engagement survey results and develop an Implementation Strategy.

Priorities (2025-2026) April - October

- Commence Implementation Strategy identified from employee engagement survey.

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 divisions to ensure information is available to make timely and accurate business decisions.

Priorities (2022-2023)

- Review benefits of on premise vs. cloud computing.
- Develop work plan to address gaps identified arising from review of communications and internet infrastructure.
- Develop work plan to address gaps identified arising from review of existing software.

Priorities (2023-2024)

- Develop strategy based on previous year's review of on premise vs. cloud computing.
- Review existing Enterprise Resource Planning training material.
- Develop plan to upgrade website structure based on review by Corporate Affairs.

Priorities (2024-2025)

- Implement Enterprise Resource Planning training material based on the review from the previous fiscal year in conjunction with QEC Finance.
- Implement website structure based on the review from the previous fiscal year in collaboration with Corporate Affairs.

Priorities (2025-2026) April - October

- Review communications and internet infrastructure.
- Audit existing onboarding and off boarding procedures.
- Review and development of the IT Departments Key Performance Indicators.

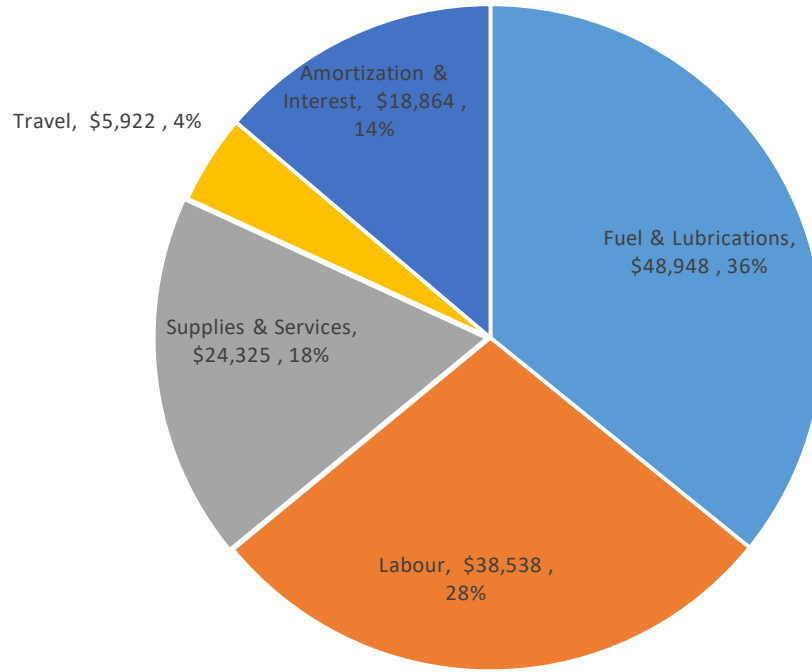
Appendix A - 2022-2023 Capital Budget

Community	Description	Budget FYE 2023
Cambridge Bay	New Power Plant Replacement	
Gjoa Haven	New Power Plant Replacement	
Igloodik	New Power Plant Replacement	
Baker Lake	Genset G4 (1100 kW) Replacement	
Iqaluit	Genset G4 Replacement	
Clyde River	Genset G2 Replacement	
Sanikiluaq	Genset G3 (550 kW) Replacement	
Whale Cove	Substation Upgrade	
Naujaat	Feeder Upgrade F3	
Rankin Inlet	Station PLC & DC Upgrade	
Igloodik	Feeder Upgrade F1, F2 & F3	
Sanirajak	Feeder Upgrade F1, F2 & F3	
Sanirajak	Substation Upgrade	
Grise Fiord	Substation Upgrade	
Sanikiluaq	Transformer Replacement	
Nunavut	LED Streetlight Changeout	
	Subtotal - Generation and Distribution Upgrades	18,216,000
Baker Lake	Automated Meter Reading (AMR)	
Arviat	Automated Meter Reading (AMR)	
	Subtotal - Electrical Equipment Upgrades	1,700,000
Baker Lake	Head Office Building	
Baker Lake	5-Plex Renovations Phase 2 - Apartment Repairs and Upgrades	
Naujaat	Naujaat Fuel Truck Connection	
Kingait	Transient House Upgrade	
Arctic Bay	Arctic Bay Transient Unit replacement	
	Subtotal - Structural Upgrades	4,897,000
Nunavut	IT Hardware Replacement Unidentified Capital Projects	
	Subtotal – Communications, IT Upgrades & Other	1,617,000
	TOTAL GROSS EXPENDITURES	26,430,000
	Arctic Energy Fund (AEF) – Federal Contributions	4,347,675
	Carbon Tax (GN) Contributions	500,000
	Subtotal Government Contributions	4,847,675
	TOTAL NET EXPENDITURES	21,582,325

Appendix B - 2022-2023 Operations & Maintenance Budget

Amounts in '000		Territorial	Qikiqtaaluk	Kivalliq	Kitikmeot	Total
Revenue	Sales of Power	-	72,335	35,577	27,629	135,541
	Sales of Residual Heat		1,021	398	21	1,440
	Other Revenue	8,674	192	72	96	9,034
Total Revenue		8,674	73,548	36,047	27,746	146,051
Expenses	Fuel & Lubricants	-	28,401	12,361	8,186	48,948
	Labour	31,375	8,278	5,154	3,731	38,537
	Supplies & Services	11,276	3,783	2,546	6,720	28,786
	Travel	3,648	1,274	506	494	5,922
	Amortization & Interest	18,864	-	-	-	18,864
Total Expenses		55,163	41,736	20,567	19,131	136,597

Expenditure Budget 2022-23
Amount in '000



BUDGET SUMMARY REPORT 2022-2023

	AMOUNT IN CAD
TOTAL REVENUE	146,015,000
Fuel and lubricants	48,948,000
	<hr/>
GROSS MARGIN	97,067,000
Payroll	38,537,000
Supplies & Services	24,326,000
Travel & Accommodation	5,922,000
	<hr/>
TOTAL OPERATING EXPENSES	68,785,000
EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTIZATION	28,282,000
Amortization & interest	18,864,000
	<hr/>
NET INCOME	9,418,000

Appendix C – Employment Summary

Departmental Inuit Employment Targets				
Qulliq Energy Corporation	As at Sept. 30, 2021		For March 31, 2023	
		Capacity %		Capacity %
Total Department Positions	208.4		206.4	
Total Filled Positions	172.4	83%	184.2	89%
Total Vacancies	36	17%	22.2	11%
Total Inuit	96.4	56%	105.2	57%
Total Executive Positions	2		2	
Total Filled Executive Positions	2	100%	2	100%
Total Vacant Executive Positions	0	0%	0	0%
Total Inuit in Executive Positions	1	50%	1	50%
Total Senior-Management Positions	9		8	
Total Filled Senior-Management Positions	3	33%	8	100%
Total Vacant Senior-Management Positions	6	67%	0	0%
Total Inuit in Senior-Management Positions	0	0%	0	0%
Total Middle-Management Positions	29		28	
Total Filled Middle-Management Positions	19	66%	22	79%
Total Vacant Middle-Management Positions	10	34%	6	21%
Total Inuit in Middle-Management Positions	4	21%	6	27%
Total Professional Positions	99		100	
Total Filled Professional Positions	88	89%	92	92%
Total Vacant Professional Positions	11	11%	8	8%
Total Inuit in Professional Positions	39	44%	39	42%
Total Paraprofessional Positions	45.4		44.4	
Total Filled Paraprofessional Positions	39.4	87%	36.2	82%
Total Vacant Paraprofessional Positions	6	13%	8.2	18%
Total Inuit in Paraprofessional Positions	31.4	80%	35.2	97%
Total Administrative Positions	24		24	
Total Filled Administrative Positions	21	88%	24	100%
Total Vacant Administrative Positions	3	13%	0	0%
Total Inuit in Administrative Positions	21	100%	24	100%