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Qulliq Energy Corporation
Société d'énergie Qulliq
Qulliq Alruyaktuqtunik Ikumatjutiit

Corporate Plan 2023-2026

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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 a 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 *Aajiqatigiinni* (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

QEC’s vision is to provide the communities of Nunavut with a safe, reliable, sustainable, and economical energy supply and service. QEC’s foundation to achieve its vision is based on an empowered and accountable workforce representative of Nunavut’s population and reflective of Inuit Societal Values, Inuit Qaujimagatuqangit, 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

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

1.3 Corporate Objectives

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

- (a) to generate, transform, transmit, distribute, deliver, sell and supply the 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 conserving 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 the 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 the Executive Council.

QEC 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. QEC will begin work to establish a Customer Care Priority Access Policy to serve Elders/ 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 intending to find 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 the development of Nunavut's labor 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, and 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 can 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 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 before 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 in March 2022 requesting a new territory-wide rate to take effect on October 1, 2022. On October 13, 2022, the Minister responsible for QEC's approval of the territory-wide rate was a historical moment for Nunavut and QEC. Nunavummiut now pay the same rate for electricity no matter what community they live in. This imperative decision was 20 years in the making and will have a lasting impact on customers for years to come.

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 six months, 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.

For the period April 2022 to September 2022, the FSRF was under \$1 million therefore an FSRF rider application was not required. The FSRF is re-assessed every 6 months and QEC is currently working on the October 1, 2022 – March 31, 2023 projections.

2.3 Environmental

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

QEC endeavors to protect these environments locally, through strong environmental protection practices, and globally, by 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 expenses are 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 \$300 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, 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 customer pays less for energy.

QEC's small customer base and the significant cost of its power generation projects limit 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 backup 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.

The recent announcement of a housing partnership agreement between the Government of Nunavut, NCC Development Ltd., and Nunavut Housing Corporation where 3,000 houses will be constructed across the territory over the next eight years will impact load growth in the affected communities. It is imperative for QEC to be involved in the initial planning stages to manage growth and capacity for each of the communities.

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, 10 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 has replaced generators as follows; Rankin Inlet (2020), Coral Harbour (2020), Chesterfield Inlet (2020), 2 in Pond Inlet (2021, 2022), Whale Cove (2022), and Clyde River (2022). A second generator replacement is in progress in Clyde River and Iqaluit will also have a generator replaced. The replacements in Clyde River and Iqaluit will be completed by March 2024. 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 the 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 September 2022, there were 26 NMP applications received, 18 bi-directional meters installed, and 8 system installations in progress. QEC is in the process of updating the NMP policy to increase individual customer renewable energy generation capacity limit from 10kW to 15kW and expand municipal accounts from 1 to 2 accounts. This new policy will also track and report on the financial impacts of the program (net revenue loss as a percentage of the revenue requirement).

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. To date, QEC has received 15 applications, of which, 4 have been approved and 10 are in the planning phase and 1 is still under review.

The Independent Power Producer Program allows larger-scale, independent power producers, to generate renewable energy and sell all the power generated to QEC. In July 2022, the Minister responsible for QEC granted interim approval for the IPP program to commence while QEC developed an IPP policy. Nunavut Tunngavik Incorporation (NTI) expressed interest in actively participating in the development of the policy. Once this policy is finalized between NTI, other stakeholders, and QEC, it will go through the approval process. In the meantime, QEC is accepting applications from IPPs based on the interim approval.

QEC pays existing CIPP customers the avoided cost of diesel (the price QEC pays for diesel per kilowatt-hour) to ensure that the program does not increase electricity costs for its customers. In developing the IPP program and reviewing the CIPP program, QEC received Ministerial instruction to commission a report on renewable energy 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 to determine the next steps, including a price for power that is economically viable for Nunavummiut. QEC is currently exploring options for additional funding for the program.

Through the Government of Canada's Clean Energy for Rural and Remote Communities (CERRC) Program and the AEF, QEC had secured funds for the development of a solar project that would be part of the new power plant in Kugluktuk. However, QEC continues to face supply chain challenges. QEC has gone to tender three times and supplier bid prices are exponentially above budget.

QEC 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 and both projects have been completed. 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, Sanikiluaq and Taloyoak.

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 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. The application was approved and the work started in November 2022. 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, 2022, QEC's Inuit employment rate was 55%.

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 in 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 2022 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 2023-2024 target of 58% includes maintaining or increasing by 3%, the number of Inuit employees as outlined in our Inuit Employment Plan.

Priorities (2022-2023)

- Recruit four Inuit apprentices.
Status: This priority will begin in early 2023 after the ratification of QECs new Collective Agreement. QEC will be submitting an RFD in February 2023 for Cabinet approval of the Apprenticeship Program.
- Develop an Internship Program.
Status: This priority is delayed. An Internship Program will be reviewed after the successful implementation of the Apprenticeship Program.
- Recruit two Inuit interns.
Status: This priority is dependent on the success of the apprentice and internship programs and will be implemented once the two programs are completed.

Priorities (2023-2024)

- Create a Coaching and Mentorship Program.
- Offer coaching and mentorship opportunities to interested employees.
- Recruit an intern for a 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 the 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;
- 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 and Vice Presidents the President and CEO leads QEC's strategic

direction toward fulfilling its vision and mission, exercises overall leadership and management of the Corporation, and ensures alignment of the Government of Nunavut's mandate with QEC's objectives. The vice presidents assist the President and CEO to ensure a focus on larger organizational and strategic requirements. Corporate Affairs is responsible for overseeing the administration of corporate policies and reporting requirements, strategic planning, policy development, communications, and 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 a Corporate Planning process manual.
Status: This priority is delayed due to staff shortage.
- Finalize the Board of Directors' Manual.
Status: This priority will be completed by the end of the fiscal year.
- Approval of Corporate Policies on Motor Vehicles, Environmental Protection, Information Technology, and Housing Policy by the Union.
Status: This priority will be completed once the Collective Agreement is signed, before the end of the fiscal year.
- Approval of Housing Procedures.
Status: This priority is completed.
- Conclude two audits – draft and final reports.
Status: This priority is completed.
- Confer with QEC's stakeholders on the CIPP Producers Program - Specialized Pricing Strategy report.
Status: This priority is ongoing and the Specialized Pricing Strategy will be going through the Government of Nunavut's approval process and the URRC
- Finalize and launch the CIPP Program.
Status: This priority is ongoing. The program is running however the pricing structure is still to be approved by the Government of Nunavut and the URRC.
- Finalize and launch IPP Program.
Status: This priority is ongoing. The program received interim approval from the Minister responsible for QEC in July 2022 and QEC is accepting and processing applications while waiting to collaborate with NTI and other stakeholders to finalize the policy.
- Confer with QEC's stakeholders on the NMP review report.
Status: This priority is completed.
- Finalize and launch the revised NMP
Status: This priority is ongoing. The policy has been revised and awaiting Board and Cabinet approval.

- Update Corporate Policies on Transient Housing, QEC's Policy Manual, Air Charter, and Land Acquisition and Disposal in collaboration with the respective departments.
Status: This priority is delayed due to staff shortage.
- Deploy QEC's Privacy Impact Assessment procedure.
Status: This priority is delayed due to staff shortage.
- Deploy ATIPP training for the Senior Management team and other Managers.
Status: This priority is delayed due to staff shortage.
- Plan for new Government reporting procedures.
Status: This priority has not been started. Awaiting further direction from the Government of Nunavut.
- Design and develop a Database Management System for Corporate Planning.
Status: This priority is delayed due to staff shortage.
- Develop a Communications process manual.
Status: This priority will be completed this fiscal year.
- Assess corporate website structure in collaboration with IT.
Status: This priority is delayed due to staff shortage.
- Coordinate content for the new intranet.
Status: This priority will be completed this year.
- Expand Energy Wise campaign promotion.
Status: This priority is ongoing.
- Develop and implement a communication plan for General Rate Application.
Status: This priority is completed.

Priorities (2023-2024)

- Conduct a Corporate Policy review and identify gaps.
- Based on policy gap analysis, begin priority policy planning and development.
- Launch the Communications process manual.
- Create community consultation guidelines.
- Develop a plan to update the 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 a communications plan to launch a new public website.
- Research 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.
Status: This priority is completed and the project is being closed.
- Complete Sanirajak, Sanikiluaq, and Igloolik electrical distribution upgrades.
Status: This priority is ongoing. The procurement of materials has been completed. The preliminary design has been completed and is under review. Now preparing the Request for Tender scope of work.
- Complete construction of the new District Heating System in Taloyoak.
Status: This priority is completed and the project is in the process of closing.
- Complete the distribution work and close the new Arctic Bay Power Plant project.
Status: This priority is completed and the project is in the process of closing.
- Start design of new power plant in Cambridge Bay, Igloolik, and Gjoa Haven.
Status: This priority is ongoing. The design contract has been awarded and the work is in progress.
- Start replacement of G2 generator set in Clyde River.
Status: This priority is ongoing. A contract has been signed, the design is in progress, and major equipment has been procured.
- Start replacement of Iqaluit G4 generator set.
Status: This priority is ongoing. The design and equipment procurement contract was signed. The design is in progress.
- Start replacement of Baker Lake G4 generator set.
Status: This priority is ongoing. The bid price came higher than the approved project budget and was cancelled. The retendering process will start as soon as possible.
- Start replacement of G3 generator set in Sanikiluaq

Status: This priority is ongoing. The bid price came higher than the approved project budget and cancelled the tender. The retendering process will start as soon as possible.

- Start Grise Fiord, Whale Cove, and Sanirajak Substation upgrade project

Status: This priority is ongoing. The transformer procurement contract was awarded. The preliminary design is complete and under review. The request for Tender scope of work preparation is in progress.

- Start construction of a hybrid diesel/solar power plant in Kugluktuk.

Status: This priority is delayed. A third tender attempt closed in October 2022. The evaluation is still underway.

Priorities (2023-2024)

- Start construction of a hybrid diesel/solar power plant in Kugluktuk.
- Based on previous electrical distribution surveys conducted, create a work plan and prioritize identified projects for completion.
- Complete the design of new power plants in Cambridge Bay, Igloolik, and Gjoa Haven and publish construction tender
- Start design of new power plant in Kugaaruk.
- Complete Iqaluit G4 , Baker Lake G4, Clyde River G2 and Sanikiluaq G3 Genset Replacement projects.

Priorities (2024-2025)

- Start construction of new power plants in Kugaaruk.
- Start construction of new power plants 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.

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 tradespeople 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. The Operations department is also responsible for the Facilities division. Facilities division 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)

- Purchase and Implement Computerized Maintenance Management System (CMMS) to improve maintenance planning & scheduling.
Status: This priority is delayed because of supply chain challenges.
- Promote a new Observation Reporting System to improve proactive reporting of unsafe conditions.
Status: This priority is ongoing with regular promotion during safety meetings and email updates.
- Complete the final commissioning and connection of the new Arctic Bay Power Plant.
Status: This priority is completed.
- Continue territorial LED streetlight conversion.
Status: This priority is ongoing and on track to be completed in December 2023.
- Implement new Staff Housing Policy and Procedures Manual.
Status: Status: This priority will be implemented before the end of the fiscal year. (After the Executive restructure, Facilities was moved from Health, Safety, and Environment and is now under Operations).
- Implement Transient Housing Policy and develop Procedures.
Status: This priority will be completed before the end of the fiscal year. (After the Executive restructure, Facilities was moved from Health, Safety, and Environment and is now under Operations).
- Complete construction of new head office in Baker Lake.
Status: This priority is ongoing and will run into the 2023-2024 fiscal year. (After the Executive restructure, Facilities was moved from Health, Safety, and Environment and is now under Operations).
- Implement the Distribution Standard Development to reduce distribution and transmission loss in the Arctic environment.
Status: This is a new priority from the recent Ministerial Mandate Letter of November 2022. QEC will start to explore this.
- Research and implement PV and BESS technology to incorporate intermittent renewable energy generation and energy storage systems in conventional thermal generation,
Status: This is a new priority from the Ministerial Mandate Letter of November 2022. QEC will start working on it.

Priorities (2023-2024)

- Review the 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.
- Establish preventative maintenance schedule for Facilities' assets.
- Implement the Distribution Standard Development to reduce distribution and transmission loss in the Arctic environment

- Research and implement PV and BESS technology to incorporate intermittent renewable energy generation and energy storage systems in conventional thermal generation

Priorities (2024-2025)

- Support construction of new plants in Cambridge Bay, Igloolik, Gjoa Haven, Kugaaruk,
- 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.
- Review tenant damage process and collections and develop procedure manual.
- Implement the Distribution Standard Development to reduce distribution and transmission loss in the Arctic environment
- Research and implement PV and BESS technology to incorporate intermittent renewable energy generation and energy storage system in conventional thermal generation

Priorities (2025-2026) April - October

- Support corporate initiatives related to renewable or non-carbon emitting generation.
- Support the construction of new plants in Cambridge Bay, Igloolik, Gjoa Haven, and Kugaaruk.
- Undertake a review of worst-performing systems and develop action plans to address them.
- Develop comprehensive asset management strategy for corporate housing assets in major hubs.
- Implement the Distribution Standard Development to reduce distribution and transmission loss in the Arctic environment

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.
Status: This priority is ongoing. A high-level review of ERP was conducted. While Great Plains will stay in place, IT is looking for alternatives to Diamond Municipal (Accounts Receivable Software).
- Commence customer survey to assess progress in dealing with customers' concerns and develop a plan to improve areas where issues are identified in collaboration with Corporate Affairs.
Status: This priority is delayed due to staff shortage.
- Review the Great Plains accounting system in collaboration with IT.
Status: This priority is ongoing. IT is currently exploring alternatives to make it easier to conduct billings & reconciliations on customer accounts.
- Based on feedback from customer surveys, implement changes to customer care processes in collaboration with Corporate Affairs.
Status: This priority is delayed due to staff shortage.
- Evaluate Key Performance Indicators deployment.
Status: This priority is delayed. With the recent reorganization that added 3 Vice Presidents this priority will be addressed when all the VP positions have been filled.
- Establish a Customer Care Priority Access Policy to serve Elders/Seniors and other vulnerable groups
Status: This is a new priority from the Minister's Mandate Letter of November 2022. QEC will start work on it.

Priorities (2023-2024)

- Implement action items stemming from the 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 an 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, and Environment

The Health, Safety, and Environment, (HSE) Department is responsible for the overall administration of the Corporation's environment and safety management practices. HSE ensures QEC operates in an environmentally conscious and responsible manner through the timely response and coordination of any environmental incident. HSE 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 HSE team has established an employee safety program and delivers occupational health, safety, and environmental training to all employees. HSE is also responsible for ensuring QEC complies with all applicable federal and territorial health, safety, and environmental legislation.

Priorities (2022-2023)

- Launch the new tracking system for HSE training courses.
Status: This priority is in progress. The tracking system is fully populated with existing training records. The platform will be used for safety training.
- Complete re-structure and update of the Environmental Manual and associated Standard Operating Procedure Manual.
Status: This priority is delayed due to staff shortage.
- Complete an external safety audit to maintain Certificate of Recognition accreditation.
Status: This priority is completed. QEC passed an external Certificate of Recognition safety audit achieving 88%, an improvement from last year's 86%.

Priorities (2023-2024)

- Audit existing health, safety, and environment training packages to ensure that they comply 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 the existing Health and Safety program and Nunavut Occupational Health and Safety Regulations.

Priorities (2025-2026) April - October

- Develop safety and health strategy with the 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.
Status: This priority is ongoing. An evaluation of the differences between the Government of Nunavut’s manuals and QECs former manuals has been completed. Based on HR resources, the production of the new manual has been delayed until Q2 of 2023.
- Based on the GN HR best practices review, commence update of HR policies and employee onboarding.
Status: This priority is ongoing with many of the recommendations have been implemented.
- Develop Supervisor and Manager orientation for new hires.
Status: This priority is ongoing while a formal onboarding program for all positions will be developed in 2023.
- Initiate mandatory Respectful Workplace training and follow-up training in related areas
Status: This priority is ongoing and being successfully implemented.

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 an employee engagement survey to assess and improve employee 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 the benefits of on premise vs. cloud computing.
Status: This priority is ongoing. The research is on schedule and anticipated to be completed by the end of 2022-23.
- Develop a work plan to address gaps identified arising from the review of communications and internet infrastructure.
Status: This priority is ongoing and the department continues to monitor vendors as they mature.
- Develop a work plan to address gaps identified arising from the review of existing software.
Status: This priority is in progress. The department is reviewing and working with individual departments to ensure anticipated software has the required resources to implement.

Priorities (2023-2024)

- Develop a strategy based on the previous year's review of on-premise vs. cloud computing.
- Review existing Enterprise Resource Planning training material.
- Develop a plan to upgrade the website structure based on a 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 offboarding procedures.
- Review and development of the IT Departments Key Performance Indicators.

Appendix A – FYE 2024 Capital Budget

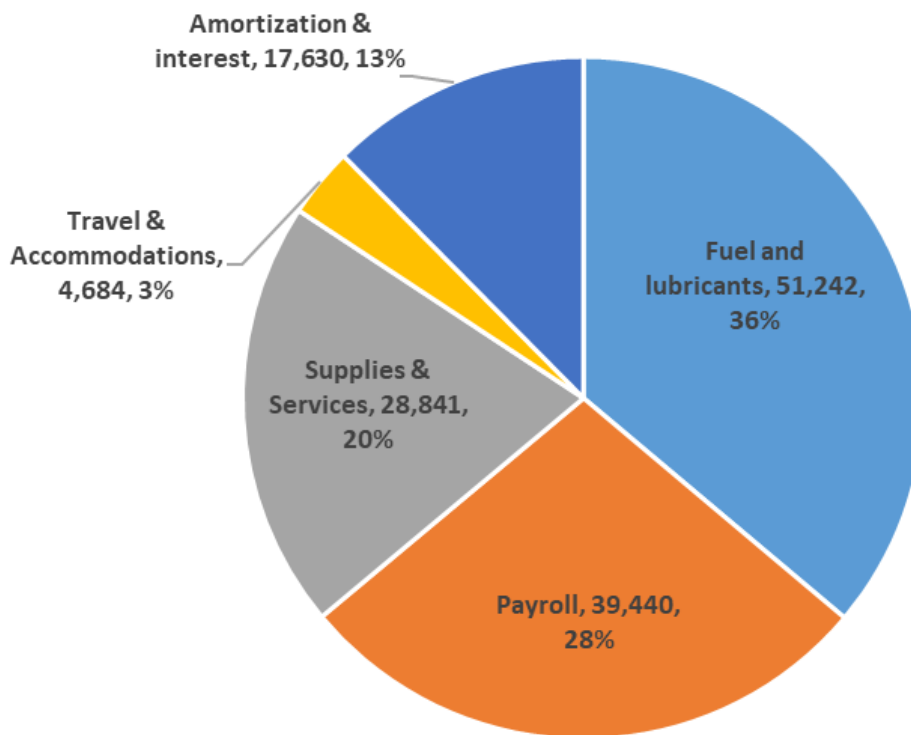
Community	Description	Budget FYE24
Cambridge Bay	Power Plant Replacement	7,092,119
Gjoa Haven	Power Plant Replacement	5,005,308
Kugaaruk	Power Plant Replacement	1,102,036
Igloolik	Power Plant Replacement	4,190,995
Baker Lake	G4 Genset (1100 kW) Replacement	3,644,408
Coral Harbour	Emergency Unit Connection	169,775
Iqaluit	G4 Genset Replacement	6,965,086
Kimmirut	Genset Replacement G3	1,723,275
Grise Fiord	Emergency Unit Connection	157,010
Sanikiluaq	G3 Genset (550 kW)Replacement	3,133,808
Sanikiluaq	Emergency Unit Connection (3512 A)	157,010
	Subtotal - Plant & Genset Upgrades	33,340,830
Gjoa Haven	Gjoa Haven Feeder 2 upgrade	377,206
Nunavut	LED Streetlight Changeout	500,000
Naujaat	Fuel Load Station	314,019
Iqaluit	Fuel System Upgrades	788,877
	Subtotal - Distribution & Fuel System Upgrades	1,980,102
Iqaluit	Fleet Purchases	448,500
Coral Harbour	Protection Relays and DC Upgrade	284,021
Kitikmeot	Battery Powered High Torque Tooling	23,000
Kivalliq	Battery Powered High Torque Tooling	23,000
Qikiqtaaluk	Battery Powered High Torque Tooling	23,000
	Subtotal - Vehicle, Electrical Equipment & Tools Upgrades	801,521
Rankin Inlet	Rankin Inlet: Iglu Street Staff Housing	1,506,270
	Subtotal - Structural Improvements	1,506,270
Nunavut	IT Computer Hardware Replacement	108,000
Nunavut	SAN Storage, Server Hardware and Backbone Replacement	413,000
Nunavut	Unidentified Capital Projects	1,500,000
	Subtotal - Communications , IT Upgrades & Other	2,021,000
	Total Projects Cost	39,649,723
	AEF Contribution	16,439,992
	Carbon Tax Contributions	500,000
	Subtotal Government Contributions	16,939,992
	Total Net Expenditures	22,709,731

Appendix B – FYE 2024 Operations & Maintenance Budget

FYE 2024 Operations & Maintenance Budget

Amount in 000's		Territorial	Qikiqtaaluk	Kivalliq	Kitikmeot	Total
Revenue	Sales of Power	0	75,268	37,819	29,111	142,197
	Sales of Residual Heat	0	0	0	0	1,500
	Other Revenue	15,888	120	114	114	16,236
Total Revenue		15,888	75,388	37,933	29,225	159,933
Expenses	Fuel & Lubricants	0	29,737	12,894	8,611	51,242
	Labour	20,260	10,460	5,164	3,556	39,440
	Supplies & Services	17,400	6,673	2,777	1,991	28,841
	Travel	2,535	1,012	604	533	4,684
	Amortization & Interest	17,630	0	0	0	17,630
Total Expenses		57,826	47,882	21,438	14,691	141,837

Expenditures Budget FYE2024 - Amount in '0000



BUDGET SUMMARY REPORT FYE 2024

	AMOUNT IN CAD
TOTAL REVENUE	159,933,494
Fuel and lubricants	51,241,800
	<hr/>
GROSS MARGIN	108,691,694
Payroll	39,440,135
Supplies & Services	28,840,718
Travel & Accommodations	4,683,832
	<hr/>
TOTAL OPERATING EXPENSES	72,964,685
EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTIZATION	35,727,009
Amortization & interest	17,630,400
	<hr/>
NET INCOME	18,096,609

Appendix C – Employment Summary

Departmental Inuit Employment Targets				
Qulliq Energy Corporation	As at Sept. 30, 2022		For March 31, 2024	
		Capacity %		Capacity %
Total Department Positions	206.4		206.4	
Total Filled Positions	167.4	81%	183.2	89%
Total Vacancies	39	19%	23.2	11%
Total Inuit	92.4	55%	106.2	58%
Total Executive Positions	3		4	
Total Filled Executive Positions	1	33%	4	100%
Total Vacant Executive Positions	2	67%	0	0%
Total Inuit in Executive Positions	0	0%	1	25%
Total Senior-Management Positions	7		5	
Total Filled Senior-Management Positions	6	86%	5	100%
Total Vacant Senior-Management Positions	1	14%	0	0%
Total Inuit in Senior-Management Positions	0	0%	0	0%
Total Middle-Management Positions	28		29	
Total Filled Middle-Management Positions	21	75%	22	76%
Total Vacant Middle-Management Positions	7	25%	7	24%
Total Inuit in Middle-Management Positions	7	33%	7	32%
Total Professional Positions	100		98	
Total Filled Professional Positions	83	83%	90	92%
Total Vacant Professional Positions	17	17%	8	8%
Total Inuit in Professional Positions	36	43%	39	43%
Total Paraprofessional Positions	44.4		46.4	
Total Filled Paraprofessional Positions	37.4	84%	38.2	82%
Total Vacant Paraprofessional Positions	7	16%	8.2	18%
Total Inuit in Paraprofessional Positions	30.4	81%	35.2	92%
Total Administrative Positions	24		24	
Total Filled Administrative Positions	19	79%	24	100%
Total Vacant Administrative Positions	5	21%	0	0%
Total Inuit in Administrative Positions	19	100%	24	100%

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