

Indigenous leadership in Alberta's energy sector

Indigenous communities across Alberta are sharing in the benefits of energy development. There is increasing Indigenous involvement in the oil sands sector – in ownership and support for projects, as well as in the renewable energy sector.

Over the last 20 years, Alberta has intentionally developed an environment that ensures the duty to consult, supports economic and social development in the communities, and continues to design effective and competitive processes that respect Indigenous rights and include Indigenous perspectives.

This was recently reinforced by First Nations and Métis in Alberta's oil sands area who have indicated their collective interest in investing in the Trans Mountain Expansion Project if the project approval is reinstated. They see that the project will “balance the needs of economic prosperity and environmental stewardship”. This support underlines the fact that Indigenous peoples and companies in Alberta support responsible development and transportation of Alberta's energy products. Communities are continuing to form long-lasting partnerships and develop proven records of successful business partnerships, demonstrating Indigenous capacity and acumen in the sector.

Building capacity

Alberta enables and stimulates Indigenous participation in the energy sector by investing in communities' social and economic outcomes. Grant funding is a key part of how Alberta enables Indigenous communities to participate in the energy sector.

For example, since 2015 the Aboriginal Business Investment Fund (ABIF) has distributed grants totaling nearly \$20 million, with around half of this going to Indigenous communities in the oil sands area. ABIF grants are designed to improve social and economic outcomes for Indigenous communities

Indigenous business leaders

- Fort McKay First Nation has a number of joint ventures, with over 4,000 employees and annual revenues of over \$700 million.
- Mikisew Group of Companies, owned by the Mikisew Cree First Nation, employs over 400 people - 40 per cent of whom are Indigenous.
- Acden, owned by Athabasca Chipewyan First Nation, employs over 3,000 people in construction and maintenance of mining facilities.
- The Bouchier Group is one of the largest Indigenous-owned and operated companies in the oil sands region, providing contracting services.
- The Tuccaro Group, founded by a Mikisew Cree First Nation member, is one of Canada's largest private Indigenous companies, and provides a variety of services in the Wood Buffalo region.
- Goodfish Lake Business Corp, owned by the Goodfish Lake First Nation, serves many oil sands clients and employs 150 people in its dry-cleaning and industrial-garment manufacturing business.

by offering direct investment into eligible Indigenous community-owned businesses. In 2017-18, these grants funded diverse opportunities, including relocating and expanding Goodfish Lake Business Corporation's laundry plant to Lac La Biche, and constructing a grocery store at Athabasca Chipewyan First Nation. These 'kickstart' grants support sustainable Indigenous economic participation and have created almost 200 permanent jobs for Indigenous people across Alberta.

Furthermore, Alberta stimulates Indigenous involvement in climate leadership through the Indigenous Climate Leadership Initiative. In 2017-18, this initiative provided \$17 million in grants to Indigenous communities in the oil sands to undertake energy audits, install solar panels, build capacity, and increase energy efficiency. These grants act as an entry point to the renewable energy sector and lay the groundwork for ongoing economic participation.

This capacity-building work means that many Indigenous communities in the oil sands are ready and encouraged to participate in economic development opportunities.

Business leadership

There is growing Indigenous participation in resource development, including oil and gas projects. In 2015-16, oil sands developments that accounted for \$3.3 billion with 399 Indigenous-owned companies in 65 communities. In the same period, oil sands developers provided \$41 million in funding for consultation capacity and invested a further \$49 million in communities.

Indigenous partnerships with private sector

There are many examples of Indigenous groups collaborating with the private sector. In 2017, Fort McKay First Nation and Mikisew Cree First Nation partnered with Suncor to buy a 49 per cent interest in Suncor's East Tank Farm Development for \$503 million. The deal will help the First Nations make improvements to community infrastructure.

In July 2018, Suncor Energy and its partners in the new Fort Hills oil sands mine awarded contracts to a joint venture of the Mikisew Cree First Nation and Aecon Group. Two initial contracts for Mikisew Aecon Limited Partnership, valued at a combined \$100 million, are for major earthworks and civil works. Mikisew Cree First Nation holds 51 per cent stake in the partnership, with the remaining 49 per cent owned by Aecon.

Syncrude, Suncor, and Shell have all been certified 'Progressive Aboriginal Relations Gold' by the Canadian Council of Aboriginal Business. The Gold certification signifies their sustained leadership in relationship building and their commitment to working with Indigenous businesses and communities. Nexen and Enbridge have been certified at the silver level. This year, the council launched a multi-year partnership with Suncor and other companies to increase procurement by Indigenous-owned companies. This initiative will include a digital Indigenous procurement marketplace where Indigenous and non-Indigenous companies can more easily exchange information about procurement opportunities.

Impact and Benefit Agreements

First Nations and Métis Settlements participate in Impact and Benefit Agreements with industry partners. These are pivotal arrangements between industry and Indigenous communities, and they provide opportunities and contracts to supply goods and services, employment, and social and economic investment by companies in Indigenous communities.

If the project approval is reinstated, the Trans Mountain Pipeline Expansion Project will provide employment, training and business opportunities for Indigenous communities. Forty-three Impact and Benefit Agreements worth \$400 million were signed with Indigenous groups in Alberta and British Columbia.

Enbridge's Line 3 Replacement Program has created multiple opportunities for Indigenous participation in the pipeline. Enbridge has agreements with 70 Indigenous communities or groups including an anticipated \$50 million in

contracting and employment for Indigenous workers, and investment of nearly \$8 million invested in Indigenous community projects. Enbridge also support training and employment opportunities for Indigenous people through the Pipeline 101 Training-to-Employment program, which has prepared almost 200 Indigenous people for participation in the oil sands workforce.

Training opportunities

Alberta's First Nations Training to Employment and Aboriginal Partnership programs were collaboratively developed to support Indigenous labour force development. Operating since 2002, these programs support flexible, sustainable, and community-focused opportunities for Indigenous peoples to enter the oil sands labour market. For example, the Athabasca Tribal Council Mechanical Construction Trades Preparation Program, established in Fort McMurray in 2002, provided mechanical construction trades exploration, exposure, and training to eight First Nations and Métis individuals to enter a trade and secure employment with an oil sands employer.

Also, some corporations offer training and development programs, scholarships, and other support for Indigenous communities. Syncrude offers a range of scholarships to Indigenous youth and provides free travel and accommodation for workers from Fort Chipewyan, while Shell has created a targeted fund to support Métis Albertans into post-secondary education and skills development and toward Shell intern and graduate programs. These initiatives enable corporations to partner with Indigenous communities and develop strong, mutually beneficial relationships.

Climate leadership

Indigenous communities are taking a leadership role in transitioning the energy sector to a lower-carbon future. There is strong alignment between traditional Indigenous ecological values and a diversified, lower-carbon economy.

Indigenous Climate Leadership Initiative

The province is providing opportunities for Indigenous communities to invest in and benefit from the emerging renewable electricity economy. The

Impact and Benefit Agreements

- Since 1999, Suncor has spent nearly \$2.5 billion on contracts with Indigenous companies.
- To date, Syncrude has spent more than \$2 billion procuring contracts with Indigenous-owned businesses.
- Since 2005, Shell Canada has spent more than \$1.7 billion in business with about 70 Indigenous-owned businesses and contractors.
- Since 2009, Imperial has spent more than \$1.5 billion on goods and services supplied by Indigenous businesses, including nearly \$329 million in 2015 alone.
- In 2016, Cenovus Energy Inc. spent 19 per cent of its capital budget with Indigenous partners, up from 9.7 per cent in 2012.

Indigenous Climate Leadership Initiative provides grants to help Indigenous communities cut greenhouse gas emissions, reduce energy bills, and create employment.

This funding is enabling Indigenous communities like Cold Lake and Louis Bull First Nations to enter into the renewable energy sector by installing solar panels on public buildings. In 2017-18, this initiative allocated \$35 million to 125 projects in 38 communities. Approximately \$50 million will support projects in 2018-19.

Renewable Electricity Program

Indigenous communities are becoming leaders in the renewable energy sector. Through Alberta's Renewable Electricity Program, which aims for 30 per cent of Alberta's electricity to be generated from renewable sources such as wind, hydro, and solar by 2030. The second round of the Renewable Electricity Program must include a minimum 25 per cent Indigenous equity ownership component in the

production of 300MW of renewable energy. This facilitates partnerships between private sector and Indigenous communities, and enables Indigenous communities to enter the renewable energy economy.

Visit indigenous.alberta.ca for more information

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