



NEWS RELEASE

Proposed Carbon Pricing puts NWT and Nunavut Economies at Increased Risk

(Yellowknife, NT – April 21, 2017) The northern minerals industry is supporting northern Premiers in having the Government of Canada address their concerns that a carbon pricing scheme designed without consideration for northern conditions will put territorial economies and the business case for development at risk.

In April, NWT Premier Bob McLeod told the Federal Parliamentary Standing Committee on Finance that, “We are faced with the implementation of a carbon pricing system that will make the exploration and development business case harder to make.” This aligns with Nunavut Premier Peter Taptuna’s comments in March that, “We've made it pretty clear between the three territories ... at the Quebec City climate change conference that we oppose a carbon tax being imposed” and that measures to lower greenhouse gas emissions put the “very delicate economy” in the territories at risk.

The Chamber of Mines and its members support the Premiers and their governments in their appeals to the Government of Canada to take into account the unique nature of our Northern territories as it develops climate change initiatives. “Carbon pricing is a tax instrument intended to alter behaviour away from carbon use,” says Gary Vivian, President of the Chamber. “However, our remote northern mines do not have viable alternatives to using carbon for energy due to the lack of power and transportation infrastructure. Since our mines can’t pass on increased costs to their customers, invoking a carbon tax will simply become an added tax on our industry, and on all northerners too, and decrease investment here.”

“We all have to do our part to fight climate change,” says Vivian. “The irony is that our mines are already good case studies for innovation in carbon emission technology.” Driven by higher costs and the need for competitiveness, northern mines have programs to be energy efficient, conserving energy and power and reducing carbon emissions. Examples include efficient diesel power generation systems and wind turbines.

The Chamber of Mines recommends that governments not invoke a carbon tax:

- on the northern minerals industry, including mines and exploration and development activities;
- on any emissions-intensive, trade-exposed industry; and
- on heating fuel where there are no alternatives.

If Canada were to apply a carbon tax against the advice of the NWT and Nunavut Governments, the Chamber recommends that:

- The NWT and Nunavut Governments implement a carbon tax scheme that is **revenue neutral** within each sector. A property or other **tax credit** could be applied equivalent to the carbon tax to ensure the business case for Northern economic development is not affected. Additionally, recognize industry actions to reduce overall emissions with a **carbon tax rebate** in excess of the carbon tax for each tonne of GHG reduced from zero-carbon energy sources such as hydro, wind, and solar;

- Canada recognize Northern capacity challenges and the additional Aboriginal engagement required for Northern policy development, and gives territorial governments **additional time** to implement any proposed carbon pricing scheme;
- Mechanisms or **incentives** be provided for industry to invest in the development of lower emission technologies that are applicable to current operations;
- The NWT and Nunavut Governments urge the Federal government to invest in **infrastructure** that enables adaptation to climate change and its risks – such as shorter ice road seasons – and to invest in clean energy **technologies**.

The minerals industry supports the NWT and Nunavut Premiers, and remains ready and willing to engage with their governments and the federal government to discuss appropriate measures for reducing the carbon footprint in the North in a manner that does not harm communities and the economy. Reducing greenhouse gas emissions in the North can be successful through infrastructure improvements like all-season roads and a green power grid, complemented with innovation, collaboration and effective funding mechanisms and incentives. Such an approach would help communities lower their carbon footprint and help to sustain and grow the northern minerals industry and the many benefits it provides to governments and communities.

The NWT & Nunavut Chamber of Mines represents the mining and exploration companies which contribute upwards of 40% of the North's economy. For more information on the NWT and Nunavut mining industries, please visit the website at www.miningnorth.com or contact Tom Hoefer, Executive Director at Tel: 867-873-5281 or email: executivedirector@miningnorth.com.