

The Nunavut carbon price two-step

"Canada and Nunavut need to get their collective act together"

SPECIAL TO NUNATSIAQ NEWS

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Exploration companies and mineral producers in Nunavut spend a great deal of time, effort and money dealing with fossil fuels.

This is for good reason. It is our biggest cost factor in operating in this remote, off-grid part of Canada.

Managing fossil fuels safely and efficiently has a great deal to do with our ultimate success or failure. We are reliant on fossil fuels; our industry is in second place after the Government of Nunavut in present day fuel usage.

As developers, we must consider local climate change effects when building mine infrastructure on permafrost. We also collect Inuit ecological knowledge as part of our baseline studies, which starkly point to recent changes in climate.

Therefore, we are acutely aware of the need to reduce atmospheric carbon emissions in order to secure a stable, healthy environment for future generations.

Like every Nunavut community, the mineral sector in Nunavut has few, if any, energy choices. We already face costs that are over double what mineral explorers and mine developers face in southern Canada.

This leaves no leeway to invest in alternatives on how we move our people, supplies and product, how we power our operations, and how we heat our buildings.

When it comes to energy choice, Nunavut residents, communities, and chamber of mines members are all in the same boat. Climate change is not in dispute. Rather, it is a question of what concrete carbon reduction steps should be effectively and efficiently taken, to do our part in addressing this global issue.

As Canada is a federation, these concrete steps result from a dance of sorts. An interplay of actions and jurisdiction between responsible governments; the Governments of Nunavut and Canada.

The Government of Canada has set the tune through the Pan Canadian Framework on Climate Change and Clean Growth, which places a price on polluting the air with carbon.

The problem with this tune is that it assumes that this it is an efficient way to encourage people and businesses to pollute less.

As operators that already squeeze every drop of fuel out to move our projects forward, while having no slush fund of tens of millions of dollars for new wind farms, hydro development, or small scale nuclear, this will not work.

It will simply cost more to do what we already must to conduct our affairs while not eliminating one kilo of carbon emissions.

Canada has given Nunavut 18 months to learn some new dance moves by opening up carbon pricing implementation to made-in-Nunavut policies, targets and mechanisms.

Judging from the recent Nunavut budget address, Nunavut has not used this time to learn any moves or songs, and is now refusing to dance.

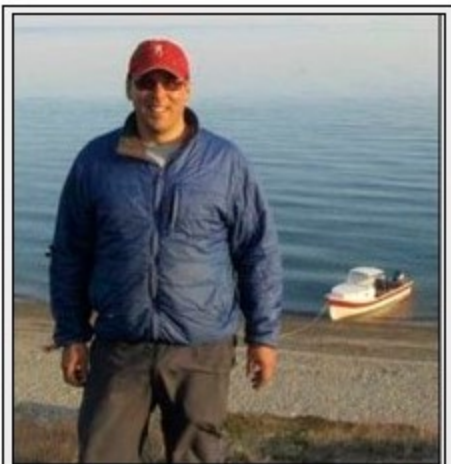
This leaves us facing a backstop tax. Under this option, no mechanisms have been worked out to generate the required emissions reductions, innovations or changes to alternatives.

Again, we are left enduring more cost, to do what we must to keep our businesses going without any change in how much carbon goes up in smoke.

Canada and Nunavut need to get their collective act together, or we will all end up in a tumble on the bottom of the dance floor. As private enterprise, we pride ourselves in our adaptability, initiative and focus on results.

When Canada and Nunavut can figure out what alternative energy sources can be cost-effectively deployed in the North so real concrete carbon reduction steps can be taken without placing an extra burden on northern communities and our northern employees and running us out of business, Nunavut's mineral sector stands ready to contribute.

If we cannot or will not get to this point, then Canada and Nunavut need to leave matters well alone and accept that in Nunavut, diesel is still king.



Alex Buchan of the NWT-Nunavut Chamber of mines says that Nunavut and Canada must figure out which alternative energy sources can realistically be deployed in Nunavut. If not, the imposition of a backstop carbon tax will be a waste of time and money.