



Government of
Northwest Territories

May 30, 2023

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MLA, FRAME LAKE

Oral Question 1493-19(2) Federal Ministers Meeting with Regular Members

This letter is in follow-up to the Oral Question you raised on March 29, 2023, regarding the possibility of Regular Members meeting with Federal Ministers, and my commitment to discuss with Federal Ministers the ramifications of the carbon tax on the Northwest Territories (NWT), in the high Arctic where economically viable energy alternatives are lacking.

During our exchange, I suggested that the Chair of the Standing Committee on Accountability and Oversight (SCAO) write to the appropriate Federal Ministers directly to request a meeting with Regular Members. I explained that Federal Ministers do not normally meet with Regular Members, but I did agree that inviting Federal Ministers to meet with our Regular Members would be in keeping with the spirit of our unique, consensus style of governing. I also suggested that it would help secure a meeting if the invitation came from both the Premier and the Chair of SCAO. In a meeting with Minister Dan Vandal on March 30, 2023, I did raise this issue and mentioned the possibility of Regular Members from the NWT meeting with Federal Ministers when possible.

During our exchange, I committed to raising concerns over the carbon tax, particularly the lack of economically viable energy alternatives, with the appropriate Federal Minister. *Bill 60: An Act to Amend the Petroleum Products and Carbon Tax Act*, was a key component of the Government of the Northwest Territories' (GNWT) attempt to meet the updated federal carbon pricing benchmark, while maintaining a Northern approach. During the development of *Bill 60* and other carbon pricing policies, the Department of Finance was in regular discussions with the Federal Government to ensure that our made-in-the-NWT carbon tax system fulfilled federal requirements on rates, rebates, and coverage, and operated in a manner consistent with reducing greenhouse gas emissions in the NWT and minimizing the impact on the local cost of living. A lack of economically viable alternatives to fossil fuels was repeatedly raised as a concern.

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The carbon tax should provide NWT residents with an incentive to lower carbon emissions by reducing fossil fuel energy use and by switching from fossil fuels to other energy sources when there are economically viable alternatives. Unfortunately, reliable alternative energy is not available in many NWT communities. Without alternatives, NWT communities have limited ability to reduce their fossil fuel use and the carbon tax serves only to increase energy costs with limited to no ability to offset. Our NWT carbon pricing system recognizes this concern and provides supports, such as the Cost-of-Living Offset (COLO) benefit, which is now based on community of residence, and an annual carbon tax revenue-sharing grant for communities, to help minimize the effect of increased fuel costs in the face of few alternatives.

I appreciate that by retaining our own made-in-the-NWT carbon pricing approach, the GNWT can assert a greater control over how carbon tax revenues are used to support Northerners. The GNWT remains committed to continuing its climate change actions and investing in alternative energy options. This is a priority, and I will continue to advocate for this priority with the Federal Government and Minister Vandal. Should Committee or Regular Members be interested in discussing the NWT carbon price system with the Federal Government, they are encouraged to contact the Federal Minister's Office, as well.



Caroline Cochrane

Minister of Executive and Indigenous Affairs

- c. Clerk of the Legislative Assembly
Legislative Coordinator, Executive and Indigenous Affairs