

POWERCO Backgrounder

- “PowerCo” is an historic business venture between the two main economic development organizations in Nunavik – la Fédération des coopératives du Nouveau-Québec (FCNQ), and Makivik Corporation. It will be a 100% Inuit-owned company.
- Objectives of the joint renewable energy company include:
 - Allow Inuit to control the long-term development of renewable energy in Nunavik and ensure projects are environmentally sound and tailored to each community’s needs.
 - Favour Inuit employment and promote economic development in Nunavik by ensuring returns from activities in the region are invested in Nunavik.
 - Ensuring landholding corporations and cooperatives are involved in local projects by reserving participation opportunities for these organizations.
 - Develop a base of knowledge and Inuit expertise in the field of renewable energy.
- The joint venture will focus on the following types of renewable energy projects:
 - Local energy projects situated on Category 1 or 2 lands, and other projects with the main objective being to supply energy to a community. These projects will be developed jointly with the community through a local corporation in which both the local landholding corporations and the local cooperative will be invited to hold an equity position.
 - Renewable energy projects in the Nunavik region at mining companies, for example.
 - Developing strategic alliances with specific companies selected for their expertise in renewable energy technologies.
- The structure of the “PowerCo” Board of Directors will be composed of eight members. Makivik and the FCNQ will contribute three names each (known as Nominee Directors). One of the FCNQ representatives will be skilled in operational development. One of the Makivik representatives will be skilled in corporate finance. The two other members of the Board (known as External Directors) will be chosen by Makivik and the FCNQ from outside the organizations, and possess strategic skills or specific expertise in renewable energy sources. The Board Members will be elected at the first “PowerCo” Annual General Meeting immediately

following incorporation, scheduled to take place within the six months of the signing of the Memorandum of Understanding (MOU).

- FCNQ currently supplies all the diesel fuel to Hydro-Québec in Nunavik. It is one of the main employers in the region, operating Co-op stores in the 14 Inuit communities, hotels, tourism operations, construction services, maritime transport, and is the main buyer of Inuit Art in Nunavik. FCNQ also provides post office locations and cable TV services in Nunavik.
- FCNQ is the largest non-government employer in Nunavik with over 400 full-time and 140 seasonal employees in Nunavik, and 160 full-time employees in Montréal.
- FCNQ annual revenue has grown from \$1.1-million in 1967 to over \$250 million in 2015.
- The purpose of the cooperative movement is to get its members to work on their own development through social and economic activities that are financially sustainable. The purpose of the FCNQ is to support the affiliated Co-ops in their efforts to work on their own development.
- The first Inuit cooperative in Canada was formed in Kangiqsualujjuaq in 1959. Within two years, cooperatives were operating in Kuujjuaq, Kangirsuk, Puvirnituq, and Kuujjuaraapik. The Fédération des coopératives du Nouveau-Québec (FCNQ) was formed in May 1967.
- Makivik Corporation is a not-for-profit corporation which was created in 1978 following the signing of the James Bay and Northern Quebec Agreement (JBNQA) to be the successor of the Northern Quebec Inuit Association (NQIA), which negotiated the James Bay Agreement. In the 41 years since the JBNQA was signed Makivik has more than quadrupled the original \$90 million JBNQA Inuit funding. In addition, over \$100 million in donations have been made to numerous Nunavik community initiatives since 1978, ranging from hockey tournaments to suicide prevention workshops, to the resurrection of traditional husky dog teams.
- Makivik Corporation directly employs over 325 people including its construction division, and owns the following subsidiary companies: Air Inuit, First Air, Halutik Fuels, Nunavik Creations, its fisheries division, and Kautaq Construction. Makivik is a major shareholder in Nunavut Eastern Arctic Shipping (NEAS). Collectively Makivik's subsidiary companies employ over 2,000 people in Nunavik, Nunavut, Montréal, Ottawa and other Canadian locations.
- The 16-member Board of Directors of the FCNQ, and the 21-member Board of Directors of Makivik Corporation both passed resolutions in the fall of 2016 to create the "PowerCo" joint venture and to provide the new company with startup capital. The new venture is funded 100% by Inuit capital.

- In the weeks leading up to the public launch of “PowerCo”, the Inuit leaders of Makivik and FCNQ, Jobie Tukkiapik and Aliva Tulugak respectively, made joint presentations to the boards of the Nunavik Landholding Corporations Association, and the FCNQ Annual Meeting.
- In 2016 the Québec government unveiled its energy strategy until 2030. The development of renewable energy projects plays an important role in the strategy because Québec wants to reduce the consumption of fossil fuels by 40% by the year 2030. “PowerCo” will be able to respond to this objective by being the regional company in Nunavik to develop renewable energy projects tailored to the individual Nunavik communities and provide maximum benefits to the region in terms of capital, job creation, and skills development.
- “PowerCo” will develop renewable energy projects that will contribute to Nunavik Inuit efforts to reduce Canada’s greenhouse gas (GHG) emissions announced as part of the Pan-Canadian Framework on Clean Growth and Climate Change on Friday, December 9, 2016.