

\$40-million investment partnership by Suncor and eight Indigenous communities in Alberta tar sands pipeline is 'a sign of more to come'

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A \$40-million partnership deal between eight Indigenous communities and Suncor Energy Ltd. is being hailed as an economic shot in the arm for the Northern Alberta communities, as they unite to buy a stake in a pipeline crucial to the energy giant's oil sands operations.

Those involved in the deal say the Indigenous energy partnership is a sign of things to come in the oil sector, which has long grappled with ensuring proper consultations over energy projects. Under the arrangement, announced Thursday, a joint Suncor-Indigenous partnership called 'Astisiy' will buy 15 per cent of the Northern Courier Pipeline from TC Energy. The remaining 85-per-cent stake in the pipeline remains in the hands of Alberta's investment manager, Alberta Investment Management Corp., or AIMCo, which purchased it two years ago.

The 90-kilometre Northern Courier Pipeline was built in 2018 by TC Energy (then called TransCanada Pipeline Ltd.). It transports bitumen, diesel and diluent in Alberta between the Suncor-operated Fort Hills oil sands mine and the company's east tank farm terminal north of Fort McMurray.

The new Astisiy partnership has been forged between Athabasca Chipewyan First Nation, Chipewyan Prairie First Nation, Conklin Métis Local #193, Fort Chipewyan Métis Local #125, Fort McKay Métis Nation, McMurray Métis, Fort McMurray #468 First Nation, Willow Lake Métis Nation and Suncor. All eight communities are based in the Regional Municipality of Wood Buffalo, which sits in the northeast corner of the province and takes in Fort McMurray.

The partnership is expected to generate gross annual revenue of about \$16-million for its partners. The transaction is anticipated to close in the fourth quarter of 2021.

Bill Loutitt, chief executive officer of McMurray Métis, told *The Globe and Mail* that expected revenue from the pipeline will help pay for a new cultural centre on MacDonald Island in Fort McMurray. "For our community, this is a real shot in the arm," Mr. Loutitt said.

The agreement reflects years of relationship-building between local Indigenous communities and companies like Suncor, Mr. Loutitt said, calling it "quite a feat" by Suncor to strike a deal with eight communities. "It's an opportunity for our youth to say, 'I'm working for our own company and providing profit back to the community,'" he said.

Ron Quintal, president of Fort McKay Métis Nation, said the deal is about more than just investing in the oil patch. "What this shows is that Indigenous communities and energy can walk hand in hand, and use those dollars not just to enable their communities to get the services they require, but we can turn around and take those revenues and invest them in other opportunities, like green energy," he said.

The Indigenous communities' buy-in of Northern Courier is supported by a loan guarantee of up to \$40-million from Alberta Indigenous Opportunities Corp., or AIOC. It's the third major infrastructure deal backed by the AIOC, a Crown corporation established by Alberta's United Conservative government as part of a 2019 election campaign promise.

Alicia Dubois, CEO of AIOC, said the sheer number of communities involved – combined with the partnership between First Nation and Métis communities – made the deal an “historic first.”

Ms. Dubois said in an interview that the AIOC loan guarantee means partners will be able to negotiate more favourable borrowing terms, which will in turn bolster their share of revenue. “This was an extraordinarily strong deal,” she said. “It really is an example of the type of Indigenous-to-industry partnership that the AIOC would be pleased to do over and over again.”

AIMCo acquired its 85-per-cent stake Northern Courier from TC Energy in May, 2019, for roughly \$1.15-billion.

Ben Hawkins, AIMCo's senior vice-president of infrastructure and renewable resources, told *The Globe* that as more countries focus on hitting net-zero emissions by 2050, “there's a whole myriad of interesting opportunities that will play out over the next 30 years” in sectors like renewables and batteries. “But importantly, we're not ready to make that full transition to net zero right away,” Mr. Hawkins said. “So we see traditional energy sources – or infrastructure that conveys traditional energy sources – as still hugely important, and potentially good investments ultimately helping us bridge to that net-zero reality.”