

# Diverging from DIESEL

Reducing diesel reliance in Canada's off-grid communities is well within reach. A key to getting there is a fair price for energy produced by projects that reduce fuel use. *Diverging from Diesel*, a report from Gwich'in Council International, establishes the full cost of using diesel to power communities, so that a discussion on fair price can begin. The findings are illustrated here.



**175**  
fossil fuel reliant  
communities

Fuel is shipped in by...

### Ice Road

Which are increasingly unreliable due to climate change.



### Airplane

One of the most expensive ways to get fuel.



### Boat

Available to coastal communities.



Fuel is stored in large tanks in the community.



Generators turn the fuel into energy.

Electricity is distributed to the community.



Fuel systems are:



### Expensive

Shipping, storage, maintenance, machine replacement and more, make fuels so expensive that utilities or governments must subsidize the cost.

### Polluting

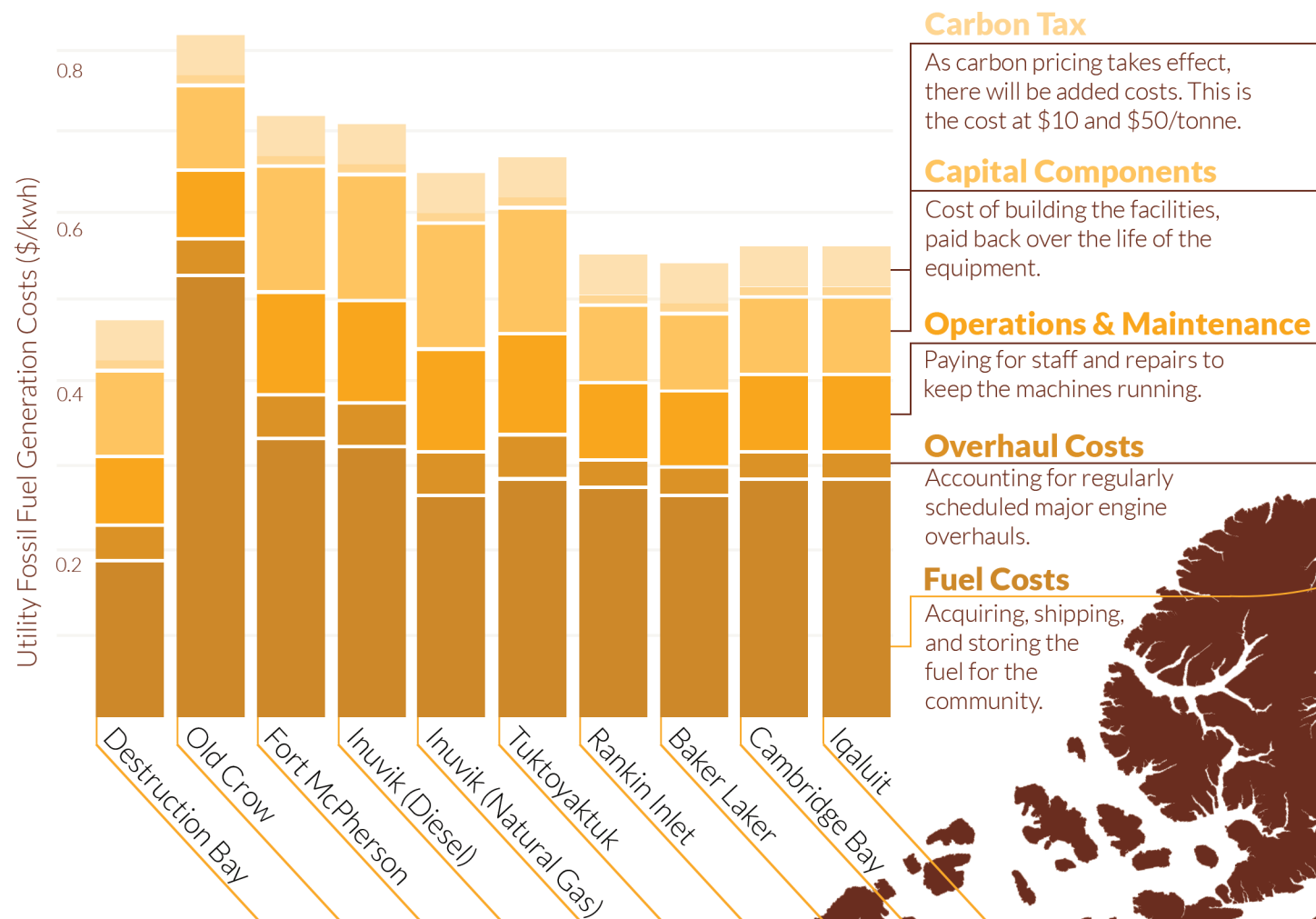
Emissions from generation and transportation, fuel spills, and machine noise have environmental and community health impacts.



Communities are ready for clean energy.

They need a  
**fair price**  
to make projects go.

# What are the current costs of Powering off-grid communities?



### Carbon Tax

As carbon pricing takes effect, there will be added costs. This is the cost at \$10 and \$50/tonne.

### Capital Components

Cost of building the facilities, paid back over the life of the equipment.

### Operations & Maintenance

Paying for staff and repairs to keep the machines running.

### Overhaul Costs

Accounting for regularly scheduled major engine overhauls.

### Fuel Costs

Acquiring, shipping, and storing the fuel for the community.

# What does this mean for communities' efforts to Shift off of fossil fuel power?

Currently, the price paid for renewable energy generation is typically based only on **FUEL COSTS** a common but inadequate yardstick.

most projects cost **more** than the price of **fuel alone**. But less than the **FULL PRICE** of fossil fuel based energy

vs.



A **FAIR PRICE** for clean energy should consider the **other costs** of running fossil fueled generators.



Not to mention the **health & environmental** impacts that are not reflected. Estimated at: **\$0.03 - 0.19/kwh**

Let's provide a fair price for renewable energy projects.





## National Dialogue

Start a discussion on the full cost of diesel energy in Northern and remote communities to promote sustainable energy alternatives.



## Avoided Costs Formula

Establish a method of valuing the full costs of avoided diesel. The formula should be specific to each jurisdiction.

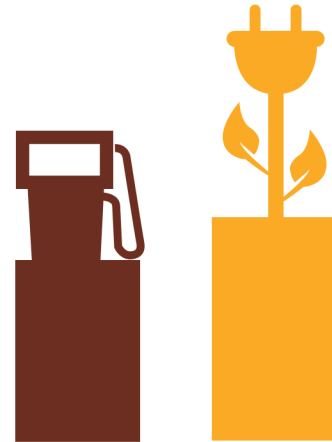
If a fair price for clean energy can make projects take off,

# What do we need to do to make it happen?



## Collaboration on Innovations

Introduce a national platform that would profile the experiences and impact of diesel alternatives.



## Proactive Procurement

Implement policies that promote the development of clean energy projects that are funded at a fair price relative to the full cost of diesel power.

With these pieces in place, a

*dramatic reduction* in diesel dependence is **POSSIBLE.**

Read the full report on [gwichincouncil.com](http://gwichincouncil.com)

Report commissioned by



Report prepared by



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### About Gwich'in Council International

Gwich'in Council International (GCI) represents 9,000 Gwich'in in the Northwest Territories, Yukon, and Alaska as a Permanent Participant in the Arctic Council. It is the only international organization to give Indigenous peoples a seat at the decision-making table alongside national governments. GCI supports Gwich'in by amplifying our voice on sustainable development and the environment at the international level to support resilient and healthy communities.