

case study

First Nation Regeneration Fund

A PARTNERSHIP BETWEEN TALE'AWTXW ABORIGINAL CAPITAL CORPORATION AND TRIBAL RESOURCES INVESTMENT CORPORATION



“It is walking our talk.

Hopefully we’ll

see more of these

projects that are

environmentally

sustainable.”

— JOHN WARD, PRESIDENT OF
ATLIN XEITLHYDRO

Atlin Xeitl Hydro / A new low-impact hydro project owned by a First Nation in northern BC is giving one small town a more pristine and peaceful kind of power.

Atlin, a quiet little town located two hours south of Whitehorse, just got a lot quieter. In 2009, local officials turned off the town’s diesel-burning electricity generator and powered up a new low-impact hydro plant owned and operated by the Taku River Tlingit First Nation. Now, the crystal clear waters of Pine Creek power Atlin.

“It is walking our talk,” John Ward, President of Atlin Xeitl Hydro, told CBC News. “Hopefully, we’ll see more of these projects that are environmentally sustainable.”

Atlin Xeitl Hydro is the Tlingit-owned power company that built the two-megawatt hydro

power plant on Pine Creek about five kilometres from Atlin.

This project was the first deal to be financed by the First Nation Regeneration Fund, a partnership between Ecotrust Canada, the Tale’awtxw Aboriginal Capital Corporation and the Tribal Resources Investment Corporation. The fund seeks to generate renewable energy in BC and regenerate Aboriginal economies by financing Aboriginal equity stakes in renewable energy projects.

The Regeneration Fund provided Xeitl with \$1.1 million in financing, which represents 20

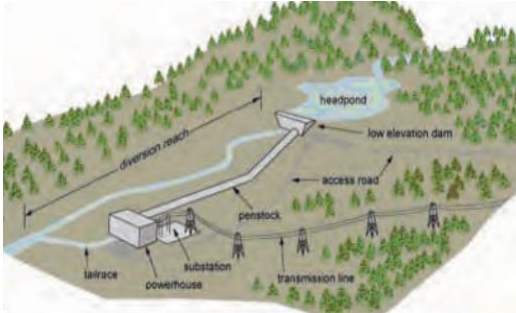
PHOTO / 1 Surveyors checking water flows on Pine Creek. / 2 Xeitl partners celebrate a milestone / 3 Diagram of a run-of-the-river project / 4 Pine Creek construction site.



1



2



3



4



Quick Facts

Atlin Xeitl Hydro

OWNER / Taku River

Tlingit First Nation

LOCATION / Atlin, BC

COMPLETED / 2009

FACILITY / Pine Creek micro-hydro project

POWER CAPACITY: / 2.0 megawatts

ENERGY PRODUCTION / 4.4 GWh per year

CAPITAL / \$16.4 million

CARBON SAVINGS / 4,500 tonnes each year

percent of the First Nation's total equity of \$5.4 million. The total project cost is \$16.4 million. Canada Life provided the balance of the funds as a commercial loan.

The hydro plant began operations on April 1, 2009, allowing Atlin, with a population of 500, to turn off its diesel-powered generator. In the past, Atlin has burned almost 1.5 million litres of fuel each year. That amounted to 4,500 tonnes of greenhouse gases. The new hydro plant will reduce Atlin's carbon footprint by the equivalent of removing 1,600 cars from city streets.

"This is such a beautiful project in that we have a tremendous creek here that has good flows. We are using about 15 percent of the flows right now that are available for energy production," Peter Kirby, CEO of Atlin Xeitl Hydro, told CBC News. "At peak capacity, we might get up to 40 percent of the flows available... We could double the generation capacity."

The project was made possible through an Electricity Purchase Agreement signed with BC Hydro in 2006. BC Hydro is obligated to provide

Atlin with electricity at \$63.30 per megawatt/hour (MWh). However, the diesel power cost \$200 MWh, resulting in losses for the public utility. BC Hydro therefore had an incentive to help the Tlingit First Nation develop cheaper and greener alternative energy. In the agreement, BC Hydro has agreed to purchase power from the power plant, which is the basis for Xeitl's revenue generation.

Overall, the hydro facility will reduce the cost of energy, drastically cut the community's carbon footprint and result in a long-term revenue stream for the local First Nation. Many local residents were overjoyed that the noisy generator was turned off.

"It was a good project," one resident told the media. "Hopefully we won't have to run the generators again."

FOR MORE INFORMATION ON THE REGENERATION FUND VISIT WWW.REGENERATIONFUND.CA