



With Us Clean Electricity Project Equity Guide

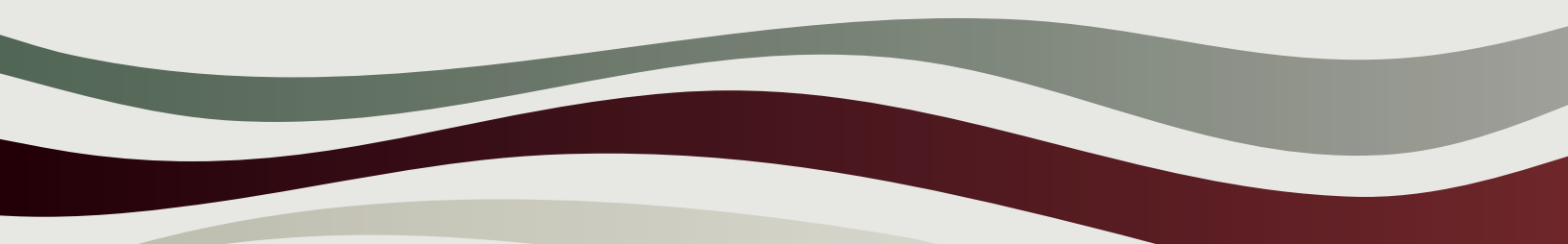
*A Project Resource for Indigenous Leaders,
Communities & Organizations*

*Prepared by
Indigenous Clean Energy
In Collaboration with
Clean Energy BC*

**INDIGENOUS
CLEAN ENERGY**



 **Clean Energy BC**





FOCUS

This Guide could be used as a resource for leadership to understand how equity positions in major utility-scale clean electricity projects can secure greater economic and social benefits for membership and citizens of Nations. The Guide will be of the greatest value at the front-end of project partnership formation. It is an ongoing, actionable and adaptable resource to support community and organizational decisions about project equity.

Introduction

The title of this guide is intentional. The principle “With Us” embodies Indigenous self-determination for a sustainable, clean energy future that respects rights and treaties, and promotes fairer and more equitable partnerships.

Across Turtle Island, from the Pacific to the Arctic and Atlantic Oceans, First Nations, Inuit and Métis communities are among the largest holders of clean electricity assets, including wind, solar, hydro, biomass, marine, and geothermal energy generation, as well as transmission and energy storage projects.

Indigenous ownership of major utility-scale clean electricity projects, mostly in partnership with development companies, is poised to take the next step. A wide range of calls for power are being issued by governments and utilities requiring and/or emphasizing First Nations, Inuit and Métis project participation and ownership. **Projects are being catalyzed through dialogue between Indigenous communities and organizations, governments, utilities, and private companies.**

For the purposes of this guide, equity does not refer to the broader need to close the gap on economic and social disparities faced by many Indigenous communities. Due to past and ongoing colonial systems of exclusion and oppression, Indigenous communities face inequity in employment, healthcare, law, rights, programming, funding, housing, infrastructure and more. While the revenue generated by clean energy equity partnerships can help bridge this gap, it is only a part of the larger structural changes needed to move us towards more fair and equitable futures.

Indigenous Clean Energy and Clean Energy BC decided the time was right to collaborate and produce this Clean Electricity Project Equity Guide. In part, our interest is to advance just and fair clean electricity project partnerships and equity. Some projects have cited Indigenous equity ownership, yet substantive returns and benefits to Indigenous communities have not been achieved.

Clean electricity projects are complex initiatives that involve key issues to manage during the development stage and over the years. This Guide does not cover all aspects of projects; it aims to provide “how-to” information for Indigenous Nations to take early-stage co-ownership positions on utility-scale projects, focusing on equity, to reflect and put into practice the principle of “With Us.”

*Indigenous Clean Energy (ICE) &
Clean Energy Association of British Columbia (CEBC)*

Using This Guide

First Nations, Inuit, and Métis leadership need access to information and capacity-building to secure and benefit from equity positions in clean electricity projects. This Guide is organized to provide such information in a user-friendly way.

Section A p. 8

PROJECT EQUITY FRAMEWORK

The Guide kicks off with options and tips to establish a Project Equity Framework to help position Nations to secure ownership and benefits from clean electricity projects. For the purposes of definition, the term “equity” in the Guide refers to investment and ownership of clean electricity project partnership entities between Indigenous communities/ organizations and development partners.

Section B p. 16

ESTABLISHING PROJECT PARTNERSHIPS

A core feature of the Guide covers how to establish project partnerships with development companies. This section outlines what to expect from a project and the questions First Nations, Inuit, and Métis communities and organizations can ask prospective partners and advisors. Memorandums of Understanding (MOUs), Term Sheets and Projects agreements are explained - since partnerships need to be negotiated and formalized.

Section C p. 21

UNDERSTANDING PROJECT PARTNERING

Should a First Nations, Inuit or Métis community/organization decide to partner with a development company, distinct options to structure the relationship can be considered. This section provides insight into the requirements and implications of entering a clean electricity utility-scale partnership.

Section D p. 26

EQUITY PARTNERING STRATEGIES

Utility-scale clean electricity projects are major infrastructure efforts. This section of the Guide concentrates on how to enter into a project partnership through equity investment. Best practices for project planning and financing, and reporting to leadership and membership or citizens are described.

Section E p. 34

PROJECT STAGES & EQUITY DECISIONS

The final part of the Guide takes readers through the stages of a clean electricity project, highlighting decisions and options that impact or relate to Indigenous equity.

Section F p. 39

RESOURCES FOR NATIONS

At the end of the Guide are links to information and 'how-to' resources for clean electricity projects for First Nations, Inuit and Métis communities and organizations.

Key Points

For community leaders and teams, this Guide highlights **three types of key actions or decisions** relevant to project partnering and equity investment.

PATHWAYS

A green box with **points of guidance** represents pathways to success.



PROTOCOL

A black box offers **project protocols** that protect and advance community interests.



RED FLAGS

A red box is a caution about **project gaps** that may not serve the community's interests.



Glossary

RFP

Request for Proposal — formal process inviting bids for new electricity projects.

EPA / PPA

Electricity Purchase Agreement / Power Purchase Agreement — long-term contracts for selling electricity to a buyer.

FPIC

Free, Prior and Informed Consent — principle requiring Indigenous consent before activities affecting their lands or rights.

IBA

Impact Benefit Agreement — agreement ensuring social and economic benefits for communities affected by a project.

IPP

Independent Power Producer — a private company that develops and sells power to utilities or commercial buyers.

CIB

Canada Infrastructure Bank — federal institution financing large infrastructure, including Indigenous-led energy projects.

CanREA

Canadian Renewable Energy Association — represents Canada's solar, wind, and energy storage sectors.

MOU

Memorandum of Understanding — a preliminary, non-binding agreement outlining intent to collaborate.

CDEV

Canada Development Investment Corporation — manages federal investments and supports project financing.

CPA / CFA

Chartered Professional Accountant / Chartered Financial Analyst — certified professionals in accounting or finance.

Acknowledgements

ICE and CEBC welcome feedback and input to improve this Clean Electricity Project Equity Guide as a living resource for First Nations, Inuit and Métis communities and organizations. ICE and CEBC wish to acknowledge and express appreciation to BC Hydro for supporting the development of the Guide.



Indigenous Clean Energy (ICE) is the leading platform for accelerating First Nations, Inuit and Métis participation in clean energy projects from coast to coast to coast, in every region of Turtle Island. ICE supports Indigenous communities to be clean energy change agents through capacity-building, skills development, career training, and mentorship with high-quality and hands-on programming. For more information on programs and resources, view the [ICE Website](#), or review the organization's recent [Annual Report](#).

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Clean Energy BC

The Clean Energy Association of British Columbia (CEBC) is the voice of B.C.'s clean-energy sector, representing hundreds of members, including First Nations, industry and community partners. CEBC works to advance policies and projects that support electrification, reconciliation, and economic growth, with Indigenous leadership at the forefront. The Association hosts a series of flagship events each year, including Generate, Women in Clean Energy, and the First Nations Energy Summit, bringing together leaders from across government, industry, and Indigenous communities to share knowledge, build partnerships, and accelerate clean-energy opportunities. These gatherings provide a unique space to connect, collaborate, and shape the future of clean energy in British Columbia.

CEBC FIRST NATIONS STEERING COMMITTEE

The First Nations Steering Committee (FNSC), established by the Clean Energy Association of British Columbia (CEBC), ensures that First Nations leadership and perspectives help guide clean energy policy, planning, regulation, and responsible development across the province. Chaired and Vice-Chaired by First Nations leaders and supported by CEBC staff, the Committee strengthens advocacy with government and industry, formalizes Nation representation within CEBC, and fosters collaboration with partners such as the Government of British Columbia, BC Hydro, and the BC Energy Regulator. The FNSC provides a dedicated forum for dialogue, knowledge-sharing, and capacity building to advance Indigenous equity participation and leadership in shaping British Columbia's clean energy future.

Section A

Project Equity Framework

Clean electricity opportunities are being actioned by provinces and territories, including utilities and system management entities issuing calls for power, and inviting bids for submission to Requests for Proposal (RFP), or directly entering project discussions with Indigenous communities.

Such opportunities are underway in British Columbia, Manitoba, Ontario and Quebec. Other jurisdictions, including Saskatchewan, Nova Scotia, New Brunswick, Prince Edward Island, Yukon, and Nunavut, have recently concluded power procurement processes or have plans to greenlight clean electricity projects with Indigenous participation. These developments are contributing positively to the energy transition across Canada and represent a force for economic development and social resilience.

Project Triggers

TRIGGER A

In some cases, a government or utility directly approaches one or more Indigenous Nations to begin discussions about a clean electricity project.

TRIGGER B

An Indigenous community identifies a potential wind, solar, hydro, geothermal or other renewables or electricity infrastructure project like energy storage and decides to: a) develop the project themselves, b) engage with electricity bodies, or c) approach development corporations (also known as Independent Power Producers (IPP's)).

TRIGGER C

Indigenous communities are approached to supply clean energy to existing and planned resource development or infrastructure projects that need electricity transmission line or power for their operations.

TRIGGER D

An IPP or private development company approaches an Indigenous community or communities to explore a project partnership in preparation for a bid in response to a call for power or RFP, or direct power sales to industrial/commercial buyers.

While there are recent examples of each of the above triggers across the country, Trigger D is the most common situation.

Regardless of which trigger is in play, it is very important that First Nations, Métis and Inuit communities and organizations put a Project Equity Framework in place before considering and committing to a project.

Pathway

CORE COMPONENTS OF A PROJECT EQUITY FRAMEWORK

1. Community Project Governance Principles
2. Qualified Business, Financial, Legal & Technical Advisors
3. Project Management Team



Community Project Governance Practices

Considering a clean electricity project partnership is a major community decision. Development milestones occur early in a project's life cycle. It is vital, therefore, that the Indigenous Nation establish practices for community project governance early in the process.

For utility-scale projects, these principles should encompass most—if not all—of the elements outlined below.

- ♦ **GOVERNING BODIES:** Identify a clear lead governance body to make decisions about the project, with the prospective project becoming a standing item on the agenda for meetings or assemblies.
- ♦ **PROJECT LEAD/S:** First Nations, Inuit and Métis communities and organizations could select or appoint a lead authority to provide governance oversight for project consideration and implementation. Such individual could be a Chief, Councillor, Elder or another individual who has the capacity to fulfill this lead role, which may require some support resourcing at the community or organizational level. The Project Lead(s) will be part of the broader project team.
- ♦ **PROJECT PROCESS:** Governing bodies stipulate project information requirements, and the processes to review and consider a project partnership.
- ♦ **COMMUNITY ENGAGEMENT:** Governing bodies determine community engagement and consultation requirements, which should include early-stage and ongoing engagement and regular project information sharing.
- ♦ **GOALS & CONDITIONS:** Governing bodies will need to make resolutions and decisions setting out clean electricity project goals. This should include benchmarks and conditions for considering and approving a partnership and related equity investment.

Protocol

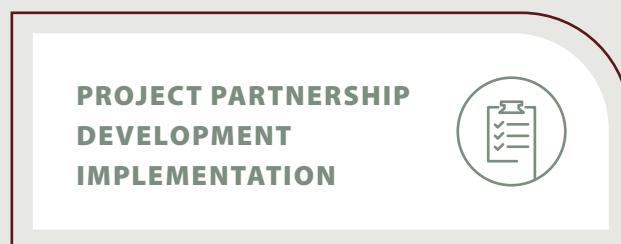
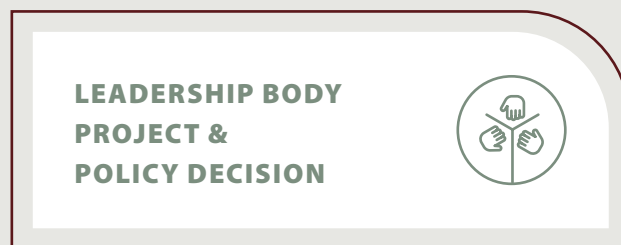
COMMUNITY GOVERNANCE

The Governing Body has the right to set out requirements for a clean electricity project partnership and equity investment. Such requirements should explicitly note community needs and specifications. For example: environmental protections, community economic and social interests, cultural protocols, community engagement requirements, training, and capacity-building.

Governance requirements should also reflect community engagement processes, including project planning, construction and operation, and overall relations and expectations of project development partners.

The Community Governance Framework illustrated in the following infographic connects the process of community engagement with leadership setting project and policy directions. This framework also highlights options for how the community can effectively manage the partnership and the project's implementation.





Community Project Governance Framework

From community input to implementation, this framework illustrates how decisions flow through governance and into project partnership options.

3 Project Management Options



Qualified Advisors

To assess a project and its potential environmental impacts, technical viability, economic and financial costs, and opportunities, qualified expertise is required. To evaluate a partnership opportunity, a First Nation, Inuit and/or Métis community will need a team of advisors to assess these different areas. Some suggested guidelines for selecting advisors with the right qualifications are below.

ADVISORS	ROLE	QUALIFICATIONS
<i>Business</i>	To advise community leadership on the commercial viability of a clean electricity projects and the range of economic and social benefits for negotiation related to equity investment.	Direct experience with the kind of project in consideration: utility-scale renewables, transmission, or energy storage. Experience working with Nations on such projects
<i>Financial</i>	To analyze financial plans and models presented by prospective development partners such as cash flow statements, investment requirements, etc., as a project equity partner. The Business and Financial Advisor could be the same person or firm. Advice from a tax professional is also usually needed.	Financial qualifications (CPA/CFA) and experience with successfully implemented clean electricity/ infrastructure projects with major upfront capital investment, and long-term agreements, and related financial material and analyses. Experience with raising financing: grants and borrowed capital.
<i>Legal</i>	To prepare and/or review project legal agreements between communities and partners and advise leadership on partnership requirements and legal implications of equity investment, including risk factors, relevant to the negotiations process.	A legal firm with an Indigenous practice and clean electricity project financing experience. This firm should have strong competency in business law, regulations, Indigenous law, taxation, and equity investment including advising communities on executed project finance and Indigenous equity loans.
<i>Technical</i>	To provide environmental and engineering advice to leadership and communities on project design/ location, and impacts (including cumulative) on traditional lands and waters, as well as fishery, hunting and traditional livelihoods.	Experience with jurisdiction-specific clean electricity and/or other infrastructure projects in environments similar to the area/terrain and asset type of the project. Certified team members for environmental and engineering facets of the project.

Why Advisors Matter

Advisors can be highly valuable to communities that are considering clean electricity projects and partnerships. They must be specifically qualified to advise on these projects and partnerships.

It can take considerable time and outreach effort to identify and make arrangements with effective advisors. It is recommended that Nations begin this work early in the process. Financial budgets and resources will also be needed to compensate advisors.

Funding requests to clean energy funding bodies, provincial governments or federal agencies are possible. Independent support from development partners for Indigenous advisors is progressive because it upholds practices such as Free, Prior and Informed Consent (FPIC).

Indigenous Communities should expect business, financial, legal, and technical advisors to provide independent advice to support partnership negotiations and the structuring of the project. Advisors should also support raising debt or grant funding to support greater Indigenous equity investment in the project.

Pathway

FINDING & CONTRACTING ADVISORS

- ♦ **Collect references:** The best references for qualified business, legal and technical advisors will come from other Nations that have developed clean electricity projects. Other communities also represent a good source for project experience and general advice.
- ♦ **Expand Connections:** Attending Indigenous clean energy events/gatherings hosted by organizations such as BC Clean Energy (CEBC), Indigenous Clean Energy (ICE), First Nations Major Project Coalition, as well as industry sessions presented by organizations like the Canadian Renewable Energy Association (CanREA) are valuable opportunities to meet qualified Advisors.
- ♦ **Formalize Contracts:** Effective Advisors will need to be compensated on a fee-for-service or retainer basis. A smart first step is to have an initial contract to test performance before entering a long-term arrangement. Clear performance requirements for advisors are advisable.



#1 Tip: Find advisors who have experience with clean energy projects and Indigenous relationships. Leaning on consultants or firms the community currently uses for other purposes is generally not the best fit for project success.

Project Management Team

In addition to the work of evaluating the project, it is equally important to assess whether the project fits with the community's goals and financial situation. Both of these responsibilities are the role of the community's Project Management Team, which consists of a combined group of internal community leaders/members and external advisors. The Project Management Team will need to manage several functions.

1. OVERALL MANAGEMENT CAPACITY

Evaluate what project partnership and equity investment management and oversight are required, and the community's internal and external skills, and resourcing capacity to meet these demands. An effective governance structure should include Indigenous leadership at three levels: a) political/governing (Chief, councillors, committee chair); b) administration (band administrator, development corporation head CEO, department heads), and c) technical coordination (community energy champion, consultation coordinator, EDO, lands manager). This will ensure that political leadership, administrative leadership, and internal technical resources remain informed and are working collaboratively.

2. COMMUNITY FINANCIAL POSITION

Review the status of the community's financial position, including the current investment portfolio, and overall investment goals and risk tolerance.

3. INVESTMENT CAPACITY

Assess how a potential clean electricity project investment may impact the community's investment portfolio, and overall cash flow and expenditure requirements.

4. INVESTMENT RISK COMFORT

Determine the nature and scale of financial risk the community is comfortable considering as an equity investor.

Communication & Coordination

Communication is vital to a project management system. Tiered points of contact between Indigenous and development partners facilitate effective communications.

The Indigenous governing body should forge a relationship with the head or senior executive of the partner company. If major unplanned events take place that impact the overall project strategy, timely interaction is preferred. Such events may include major market development, legislative changes or environmental findings that drastically alter the project.

Community administration, along with the Indigenous project management lead/technical team, should have a project manager, project development officer or equivalent with the partner company coordinating project planning and implementation. Managing community project support, such as council motions, ensuring community consultation takes place, and supporting the project development technical team.

The connection points between the project management team, community leadership, and qualified advisors are key to the project development process.

Red Flag

PROJECT MANAGEMENT TEAM - CRITICAL FOR DECISION-MAKING

Without a defined governance system with community leadership and qualified advisors, an Indigenous Nation's project participation and potential partnership are at significant risk. Deciding to partner and invest capital in a utility-scale clean electricity project requires major investment and commitment, carrying some financial risk. Such decisions begin early in the project process, and a project management team, embedded within the overall project governance system, is essential to advising leadership and ensuring there are no gaps in partnership discussions with prospective development partners.



Section B

Establishing Project Partnerships

Considering to partner and then actively to participate in the development of a clean electricity project is complex. The initial stages can be unclear and even a bit confusing, given the details of procurement rules and the contracting and legal provisions of partnership agreements.

The most important thing for community leadership is to seek information in a timely manner by asking their advisors and potential/ actual project partners questions. Input from advisors and responses from prospective project partners are of paramount importance.

Red Flag

A PLANNED PROCESS VS A RUSHED DECISION

First Nation, Inuit and Métis communities may be pressured to make quick decisions with limited information. If that is the case, it is probably time to slow the process down and set out a planned step-by-step assessment of a clean electricity opportunity. Nations should be cautious about signing exclusivity and confidentiality agreements/terms prior to conducting due diligence about the prospective partner and project, and obtaining input from advisors. This process can be informed by conversations with a potential project partner about how to work together most effectively.



Up Front Information Prospective Partners Should Provide

When development partners approach a community or organization to propose a clean electricity project, they should be prepared to share clear and transparent information early in the process. While it's common for developers to present projects in detail, it's important that discussions also be grounded in Relationship-Building Dialogue.

Strong partners will provide basic information up front about their company, experience, and project approach. Presentations should be clear and focused—avoiding long slide decks, jargon, or overly technical explanations. More detailed information can follow as the partnership dialogue progresses.

Proponent Up Front Information Package

COMPANY INFORMATION

Ownership details & management background, including governance mechanisms such as the Board of Directors.

PROJECT EXPERIENCE

Utility-scale clean electricity projects with Indigenous participation.

FINANCIAL SITUATION

Summary of the company's project financing capacity

FINANCING EXPERTISE

Summary of experiences working with long-term project financing, including with Indigenous community funding entities such as the Canada Infrastructure Bank (CIB) and the Canadian Development Investment Corporation (CDEV).

INDIGENOUS EXPERIENCE

With specific communities, including reference contacts.

PROJECT TEAM

Identification of the likely Project Manager and the executive(s), available to the Indigenous Nation as key contacts.

PROJECT PROCESS

Steps the partners envisions for project development.

Information shared by project proponents should be clear, high-level, and easy to follow. Acronyms and technical terms should be avoided, and one-page summaries for each topic are ideal. These can later be expanded based on community questions or interest.

Building the Relationship

First Nation, Inuit and Métis communities may also wish to reciprocate by providing backgrounders and key information to their potential partner, furthering understanding about the Nation's history and community governance. Ideally, an in-person introductory meeting takes place shortly after the initial contact to start building a solid relationship.

Protocol

RESPECTFUL FIRST CONTACT



Prospective partners should ask to be invited to :

- ◇ Appreciate the community's history
- ◇ Understand community culture, political system and community decision-making structures and processes
- ◇ Be aware of traditional land use practices and community livelihoods
- ◇ Be informed about the community's economic development goals

Once initial introductions and relationship-building steps are underway, community leadership can begin drawing on advisors to guide the technical, financial, and legal aspects of partnership discussions.

Pathway

PRIME PARTNERSHIP CONTACTS



Indigenous communities and organizations should expect that a prospective development partner will designate a specific individual to be their Prime Contact. The more senior and experienced the individual, the better.

While the partner's business development lead often manages communications and the partnering processes, First Nation, Inuit and Métis communities and organizations should insist on also having a relationship with, and reliable access to an executive or senior manager in the development firm with decision-making authority.

Engaging Advisors Early

Over the course of considering a clean electricity project, input from advisors is crucial. The most effective approach is to engage and ask questions to advisors as early in the process as possible. A framework for key questions is below. Advisors' responses to these questions inform decision-making by community leadership and administration on the project.

Note, these questions are a starting point. In later sections of the Guide: Equity Partnering Strategies and Project Stages, more detail is provided.

	KEY QUESTIONS FOR ADVISORS
<i>Community</i>	<ul style="list-style-type: none"> ◇ What project information should the community expect from prospective partners, and in what format should it be presented? ◇ What consultation and information-sharing process should occur? ◇ What governance process should be established to manage consideration of a project? ◇ Can you outline the approval and decision-making steps community leadership will need to follow?
<i>Project</i>	<ul style="list-style-type: none"> ◇ What Key Factors should a community consider before a project partnership process begins? ◇ What major environmental, land, water, ecosystem, or traditional use concerns must be addressed? ◇ Can maps for potential project sites be presented to leadership and the community? ◇ Which other Indigenous communities have considered similar projects, are there examples of those initiatives?
<i>Partnership</i>	<ul style="list-style-type: none"> ◇ Business Advisor: What partnership development options should the community consider? ◇ Legal Advisor: Can the project partnership framework be summarized visually for community leadership? ◇ Legal Advisor: How can the community avoid being "locked in" to a partnership during early stages? ◇ Financial Advisor: What key financial details should be clarified early in the process, such as budget and cash flow?
<i>Investment</i>	<ul style="list-style-type: none"> ◇ Will Indigenous Nations receive equity opportunities that honor and uphold their constitutionally protected rights? ◇ Can a schedule or chart illustrate how development equity, long-term debt, and returns fit together? ◇ When should First Nation, Métis, and Inuit communities begin preparing for equity investments? ◇ How will public funding or loan guarantees support Indigenous involvement, and what programs are available?

From Advice to Action

Material provided by prospective project partners, along with advice from Advisors responding to key questions, gives leadership information for sharing with community members and citizens.

Community engagement, up front and over the full course of project planning and implementation, is the foundation for a clean electricity project. Ensuring that the community is informed and able to provide input to leadership strengthens the project process, even if the decision is not to proceed with a project and partnership. In addition, Nation citizens/members from the project team should be present at most project development meetings, particularly where negotiations take place and when decisions are being made.



Section C

Understanding Utility-Scale Project Partnering

Indigenous Nations considering an equity investment in utility-scale projects can participate in one of three ways:

1. As a **majority owner** in the project, holding more than 50% of the total number of shares in the company
2. As a **50/50 partner** in the project
3. As a **minority owner**, holding less than 50% of the company's shares.

Clean energy equity ownership can be attractive since projects can generate a long-term stream of revenue. In addition to decision-making powers, this is a different arrangement from royalty or one-time revenue payments, which are ways Indigenous Nations could benefit financially from projects without making equity investments. Though it should be noted that royalty or one-time payments generally yield less revenue for Nations than equity ownership.

Clean electricity project equity participation is an effective approach to realize additional economic benefits, which involve broader related agreements such as Impact Benefit Agreements (IBAs) and construction and operating agreements that address the inherent and legally protected rights of Nations.

Nations should be aware that equity ownership entails risks and liabilities. For example, covering cost increases or revenue shortfalls that project owners would be obliged to cover. Thus, it is vital that Nations understand the potential benefits and potential drawbacks of equity ownership in utility-scale clean electricity projects.

The initial step in a Memorandum of Understanding (MOU) or Term Sheet should outline the pros and cons of a project collaboration.

Negotiating Key Partnership Terms

Whether a Nation decides to be a majority, minority or a 50/50 owner in a project, equity ownership means being in a partnership with at least one other party, likely a developer. Because equity ownership involves being in a long-term partnership with at least one other party, considering equity ownership is a commitment to working collaboratively.

The following key provisions in a partnership agreement help ensure collaboration and reduce the likelihood of major disagreements.

1. CONFIDENTIALITY RESTRICTIONS

Requiring that the parties keep project and partner information confidential from others.

2. EXCLUSIVITY REQUIREMENTS

Stipulating that the parties agree to project collaboration exclusively with each other.

3. DEADLOCK RESOLUTIONS

Determining what decision-making process will apply if the partners are deadlocked on a major issue.

4. DATA OWNERSHIP

Covering how information provided by the Indigenous community, as well as information generated through the project development process, will be protected.

5. NON-COMPETE LIMITATIONS:

Protecting both parties by limiting their interests only to activities that do not compete with the interests of the project.

6. DISPUTE RESOLUTION

Setting out how disputes between the parties could be settled using mechanisms such as Alternative Dispute Resolution, Mediation or Arbitration.

7. SECONDARY ISSUES

Understanding whether the project may have positive economic benefits or longer-term environmental effects that may need to be promoted or mitigated.

8. EXIT PROVISIONS

Specifying what conditions and consequences would apply if either or both partners decide to withdraw from or terminate the partnership.

9. LONG TERM VALUE

Specifying what conditions and consequences would apply if either or both partners decide to withdraw from or terminate the partnership.

10. SITE REMEDIATION

Responsibility and cost coverage for restoring the project site and access after operations have ended.

Red Flag

COMMON PITFALLS IN EQUITY PARTNERSHIPS



There are several common pitfalls that can cause an equity partnership to flounder even if the parties have a strong partnership agreement. These pitfalls apply to most commercial partnerships, including clean electricity projects.

- ❖ **Misaligned Strategies:** The overall goals of the partners are different and lead the owners to prioritize different approaches to the management of the project.
- ❖ **Cultural Differentiation:** The working and communication styles of the partners are quite different leading to misunderstandings and disappointments, and different expectations through the development process.
- ❖ **Roles and Responsibilities:** Unclear or poorly defined roles and responsibilities between the partners can lead to gaps in project development.

Lack of Commitment: One partner becomes disillusioned with the partnership because they feel that the other side is not honouring the promises made or because they feel the other side is not doing its share of the work effectively.

- ❖ **Leadership Changes:** The leadership team of one of the partners changes, resulting in a dramatic shift in support for the partnership or for the project impacting the project working relationships.
- ❖ **Unequal Benefits/Costs:** As the project progresses, one of the partners believes that the distribution of the costs or benefits of the project are disproportionately accruing to themselves or to another partner.

Managing the Partnership

The terms of the payments made to equity owners, known as distributions, are typically negotiated as part of the partnership agreement. Nations should work closely with business, financial, legal, and other advisors when negotiating the commercial terms and structure of their partnership. When considering its options, the Nation will need to pay particular attention to tax liabilities. Different commercial structures can have different tax implications and obligations.

The eventual partnership structure could be a Limited Partnership or Corporation between the parties. Selection of a partnership structure should reflect the nature of the project and its overall development and construction, as well as the equity and debt financing structure, including the role of public grants and tax mechanisms, such as the Investment Tax Credit, which factor into the situation. The financial position and conditions of both partners should also be considered when finalizing a utility-scale clean electricity partnering structure.

The community team of advisors should be able to help the Nation make decisions with respect to tax obligations, as these can have a significant impact on the project's revenue. Projects in which the Indian Act may apply should retain the advice of a qualified tax advisor with experience dealing with First Nations corporate entities, as First Nations tax law changes frequently with new judicial decisions.

Pathway

PARTNERSHIP DECISION MAKING

A core benefit of equity ownership is the opportunity of having decision-making authority over the project.

When the partnership agreement is negotiated, the parties will define the project's governance and management structure. They will also negotiate membership on the partnership's Board of Directors and the overall mandate of the Board. As an equity owner, a Nation will have the opportunity to appoint a certain number of representatives to the Board of Directors to participate in key decisions throughout the project's life cycle. This decision-making authority is usually not available to the Nation if it chooses not to take equity in the project.

When discussing an equity ownership opportunity with a potential partner, a Nation should clarify as early as possible what decision-making options are available. Nations should explain to a prospective partner their expectations about participating in decision-making at each stage of the project.





Section D

Equity Partnering Strategies

When presented with a project opportunity, it is imperative that the Indigenous project team and leadership understand how the project will be financed and how partnerships will be formalized via legal contracts and other documents.

Project information covering siting, development and construction planning, and comprehensive financial information, such as pro forma statements and cash flow schedules, is needed to inform Indigenous community decision-making. Indigenous entities should also appreciate all potential risks and liabilities that may arise from taking an equity position in the project.

Pathway

COMMUNICATING PROJECT INFORMATION

Clear and comprehensive project information, and ongoing, consistent communication between development partners and Indigenous communities and entities, are the most important success factors behind hundreds of clean energy projects with Indigenous ownership across the country. The Indigenous entity leading the community's interest and private development partners need to commit to information and communication best practices.



Investing Equity in a Project

Investing equity in a clean electricity project is a decision for the long-term. A few basic points are important to understand.

PLANNING TIMELINES

Clean electricity projects take at least 2-4 years to plan. The process can be longer for some projects during which time the feasibility of financing and constructing the project is assessed. Planning includes site, community, environmental, technical, design, and the overall commercial viability of the project.

POWER SALE/OFFTAKE

Successful projects winning an RFP or a call for power process are awarded an Electricity Purchase Agreement (EPA) or Power Purchase Agreement that is typically 20-40 years, depending on the conditions of the electricity sale. These purchase agreements commit the utility or electricity systems operator to buy power from the project at a set price, which can be set or increased by some factor each year. The presence or absence of an EPA or PPA will greatly impact a project's economics, and the corresponding financial risks and opportunities to equity owners.

CONSTRUCTION TIMELINES

Once project planning is complete and once financing arrangements are finalized, the project build-out period begins. Construction timelines range from one to two years for solar projects, two to four years for wind and bioenergy projects, and three to ten years for mega projects, such as hydro or geothermal.

Protocol

OBLIGATIONS IN EQUITY PARTNERSHIPS

When an Indigenous Nation decides to invest and take an equity position in a utility-scale clean electricity project, this carries a number of obligations.

1. Regular, ongoing communications and interactions with the development partner are especially important.
2. Project planning and development decisions are made jointly, often with the development partner proposing options.
3. The decision to invest in project development and construction is also made together by partners, which then triggers requirements to invest or borrow equity capital.

Bottom line, an effective clean electricity partnership is a long-term relationship. Once a partnership is established, and the challenging work of project success begins. A clean electricity project, once operational, can generate decades of income and community benefits. It will take time and energy commitment needed to make an equity partnership successful.



Financing Clean Electricity Projects

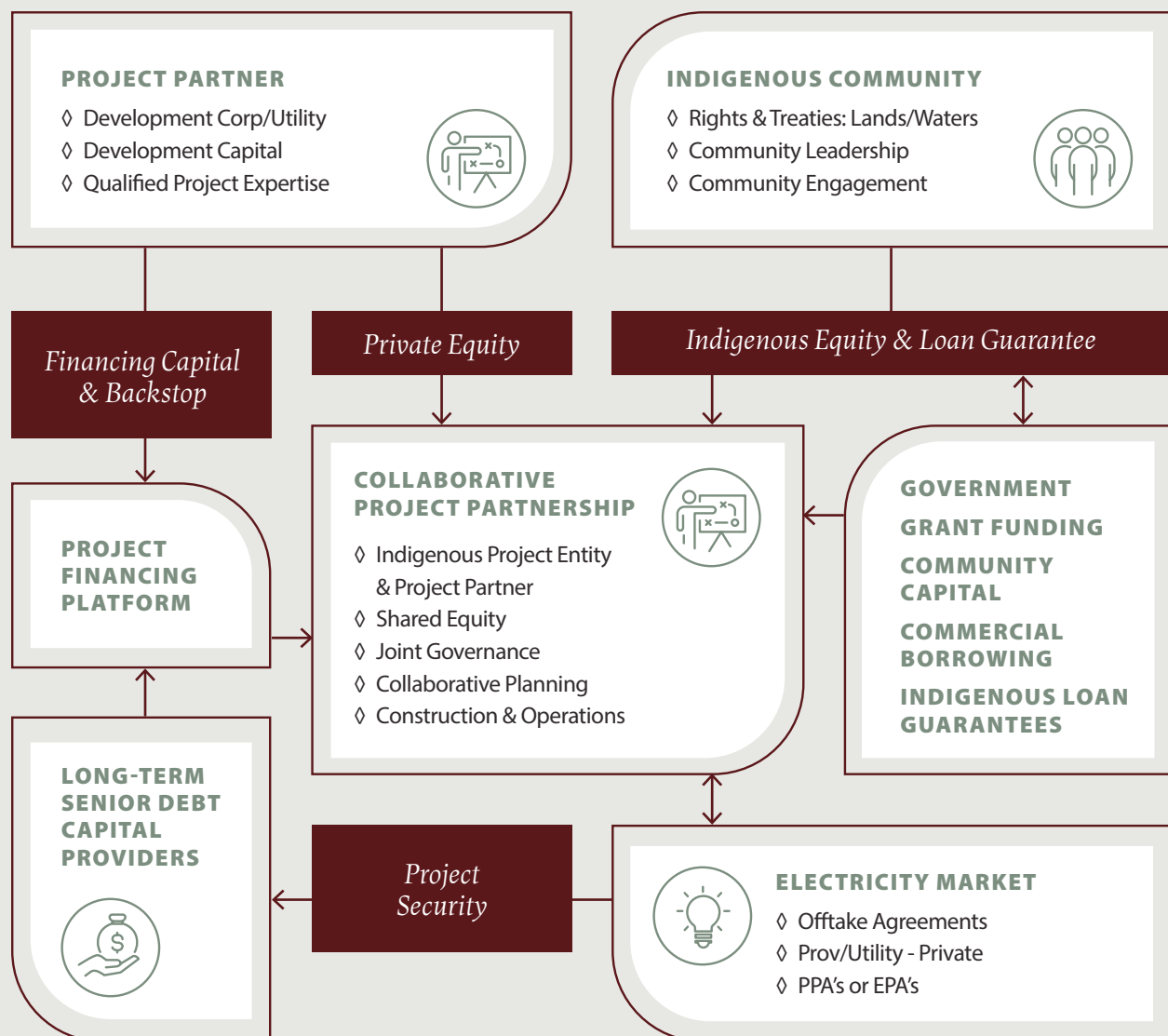
Most utility-scale clean electricity projects are financed through a combination of equity (investment) from partners and debt (borrowing) from lenders.

Financing occurs through the stages of project development from partnership formation, due diligence, project definition, bid submission, and, if the project is approved, then detailed feasibility, construction, financing and operations.

Partnership and equity investment terms and conditions are usually negotiated and set during the earlier stages of project development. Such decisions have ramifications over the full course of the project. It is important therefore to understand how projects are financed.

Financing Structure

While there are variations between projects, and Nations and development partners, there is a widely accepted conventional financing structure that has proven to be effective for many Indigenous communities across the country.



Financing Steps

When an Indigenous community or communities decides to enter into a project partnership, the following key financing steps should be expected.

Step 1 **ESTABLISHING THE INDIGENOUS PROJECT ENTITY**

The Nation determines how its equity interest will be held and managed. Options include a purpose-built corporation, community entity, Indigenous economic development corporation, or community trust. Each option requires legal and corporate advice to ensure the structure represents community interests and manages transactions effectively, including tax obligations. The private partner typically creates its own subsidiary to hold its equity share.

Step 2 **FORMING THE COLLABORATIVE PARTNERSHIP**

A new entity will be formed to develop the clean electricity project, owned by entities created by the Indigenous community and the project partner.

Step 3 **SECURING PARTNER INVESTMENTS**

Both partners invest in the project. Initial investments fund early-stage assessments and bid preparation. If an EPA or PPA is awarded, funding expands for feasibility, construction, and long-term development. Indigenous communities may combine government grants, community capital, commercial borrowing, and contributions from partners or lenders such as the Canada Infrastructure Bank (CIB), sometimes supported by government loan guarantees.

Step 4 **DEFINING PARTNERSHIP AGREEMENTS**

Partners formalize terms for equity contributions, governance, and joint decision-making. Comprehensive agreements cover construction, operations, and financial management. Indigenous communities should rely on qualified and trusted advisors to ensure these documents protect community interests.

Step 5 **SECURING THE POWER CONTRACT**

The partnership prepares and submits a bid in response to a Call for Power or RFP from a utility or commercial buyer. A power offtake contract (EPA or PPA) is typically required to obtain financing, providing long-term revenue certainty once the project is operational.

Step 6 **STRUCTURING LONG-TERM FINANCING**

The private partner typically leads capital structuring, combining partner equity with long-term debt from institutional lenders such as pension funds, insurance companies, or infrastructure financing facilities. Construction financing transitions to long-term debt once the project is complete. Usually, about 20% of project costs are covered by equity and 80% by borrowed capital repaid over the EPA or PPA term.

Advisors and financial intermediaries coordinate all financing details. Independent financial advisors are essential to ensure fair negotiation of equity, debt, and return structures that minimize risk and align project benefits with Indigenous community priorities.

Assessing a Potential Partnership & Due Diligence

When a project is proposed it is on traditional Indigenous territories; therefore, environmental, social and other impact evaluations need to occur. It is important to begin the process by conducting due diligence on the prospective project partner by asking key questions, and obtaining verified/certified information in response.

	KEY QUESTIONS FOR PROSPECTIVE PARTNERS
<i>Community</i>	<ul style="list-style-type: none"> ◇ Can you provide a project summary for members and citizens? ◇ What land, water, and ecosystem issues must be assessed before the project begins? ◇ What approvals and decision-making processes will the project follow? ◇ What consultation do you expect up front and during the project?
<i>Project</i>	<ul style="list-style-type: none"> ◇ Can siting options, maps and example projects be shared? ◇ What studies and analysis will confirm the project is viable environmentally and economically? ◇ What are the bid timelines, and what information do you need from the Nation? ◇ What are your utility or buyer commitments for this project?
<i>Partnership</i>	<ul style="list-style-type: none"> ◇ What partnership structures are being proposed, and why? ◇ Can you provide example partnership agreements (MOUs or term sheets)? ◇ What confidentiality provisions will apply to partnership discussions? ◇ Will discussions be exclusive, and under what conditions could they end?
<i>Investment</i>	<ul style="list-style-type: none"> ◇ Will this project offer equity for Indigenous rights or treaties? And if not, why not? ◇ Is there a timeline showing development, financing, and returns? ◇ When would the Nation or partners be expected to invest equity? ◇ How will public funding for Indigenous participation be valued as equity?

Vetting the potential partner will require contacting references and researching previous projects. This process will be time-intensive, and shortcuts should be avoided as utility-scale clean electricity project partnerships represent a long-term, 20- to 40-year commitment.

Financial Transparency

Before entering an equity partnership, Nations should review financial arrangements carefully to ensure full transparency and clear accountability between partners. The questions below help clarify funding sources, financial commitments, and potential risks over the life of the project.

- ◇ How is the project being funded? Is all the money in place or will additional sources be needed?
- ◇ What are the terms of long-term loan agreements, specifically, how will payments to the equity holders be affected by these terms?
- ◇ How much money will the Indigenous Nation need, where will this money come from, and when will investment be needed?
- ◇ What are the proposed rates of return and the timing of distributions (profits) to partners, including the Indigenous entity?
- ◇ What types of financial risk exist, or may arise generally, as well as specifically for directors on the Indigenous partner entity?

Transparency is a criterion that applies to both partners and advisors.

Negotiating & Forming the Partnership

If a development partner passes the due diligence test and wants to work with the Nation, the actual partnership agreement must be negotiated and formalized. The role of advisors is critical at this stage. Indigenous governments and project entities, assisted by advisors, respond to terms proposed by the development partner or table positions they develop. These are complex legal arrangements which need qualified advice.

Typically, project partnerships begin with a Memorandum of Understanding (MOU) or Term Sheet, which eventually gets incorporated into legal agreements that constitute the project partnership.

Nations should ensure expectations and conditions are factored into the terms of partnership.

1. What does economic equity and reconciliation look like? For example, will there be preferred or discounted equity investment?
2. Can the electricity body or utility buyer provides an adder (increase in the rate of revenue for power purchase) in recognition of various levels of Indigenous project ownership?
3. Much like any non-indigenous investor, will the Nation and Indigenous project entity have the ability at key milestones to withdraw from the project, and under what conditions?
4. How will the partnership generate community benefits such as employment, procurement,

infrastructure additions, and other benefits separate from the Nation's equity? These benefits can add considerable value, and it is advisable that Nations take the position that a Community Benefits Agreement is referenced in project partnership legal agreements. A link to ICE's Community Benefits Plan Guide is included in Section F.

5. Will the project consider adaptive management and ecological/community impact assessments to monitor long-term change as part of the project life cycle, including cumulative effects?

Project Involvement from Multiple Nations

Having more than one Indigenous project partner can become complex. It can also be a strategic advantage, making a project more competitive in a call for power bid process. Multiple Indigenous equity partners could be a way to consider overlapping territorial positions or claims in relation to the project site or access. In such situations, Nations will have to determine how to negotiate and structure shared project interests. Private development partners will also want clarity being in relation with multiple Indigenous equity partners.

Involvement from other Nations could also occur in two ways apart from equity participation at the initial stage of partnership formation. Firstly, one or more Nations could take an equity position at a later stage in project development, after submission of a call for power bid or even following the award of an EPA/PPA. Secondly, other Nations apart from Indigenous project equity holders could derive employment, procurement or other non-equity benefits associated with a project.

Pathway

DEFINING NEGOTIATING POSITIONS EARLY

Indigenous Nations, with the support of advisors, should be proactive, presenting negotiating positions early in the partnership process that clearly identify and address their core interests and priorities. Basically, the initial terms of the partnership set out how the project will unfold and the benefits it will generate for the community, community-owned businesses and the Nation's members/citizens.

Once agreed to and signed, partnership agreements are legally binding. Positions should be forthright, yet also fair and balanced, recognizing that both partners will contribute to project success. Mutually supportive decision-making should be in place to generate solid returns or distributions to the Nation and partner, reflecting the principle of shared interest.





Section E

Project Stages: Impact on Equity

A clean electricity project goes through seven stages. At each stage, the Nation or the Indigenous Project Entity will be faced with making decisions or advancing positions to protect/retain/enhance equity.



Stage 1

PROJECT COLLABORATION

- ◇ Determining the targeted/ negotiated Indigenous equity positions and the terms and conditions of partnership (MOU or Term Sheet).
- ◇ Uphold past, present and future impacts of territory(s) being utilized for the project
- ◇ Setting off ramps if one or another of the partners does not wish to proceed with the project.

Stage 2

PROJECT PRE-FEASIBILITY & POWER BID

- ◇ Assessment of project pre-feasibility, including technical and economic viability, as well as specifying how Nations and partners will collaborate on project planning and development decision-making
- ◇ Determining the initial and ongoing process of community engagement and consultation to ensure Indigenous project approval is grounded in trust and transparency.
- ◇ Providing clarity in the bid for Indigenous project participation, including Nations approval of the partnership.

Stage 3

SUCCESSFUL AWARD OF AN EPA/PPA

- ◇ Negotiating and execution of project partnership in a limited partnership, corporation or some manner of joint venture.
- ◇ Finalization of all equity terms. Including when partner investment must be made, and under what conditions. This will require the Indigenous Nation or partner entity to secure its equity capital for initial and ongoing investment.
- ◇ Determining which equity capital or financing sources, including initial borrowing, will be accessed for project development.

Stage 4

DETAILED PROJECT FEASIBILITY PLANNING

- ◇ Ensuring ongoing community engagement throughout the project development process.
- ◇ Seeking government grant funding for the feasibility stages of the project by virtue of Indigenous participation (which should be valued into Indigenous equity).
- ◇ Assessing and validating the range of environment and other approvals and permits that will be required to ensure the project is technically viable.

Stage 6

FINANCING & CONSTRUCTION

- ◇ Construction stage financing, including any requirements for Indigenous and partner equity or cash flow.
- ◇ Determination of construction financing sources.
- ◇ Identification and negotiation of long-term borrowing (senior debt), which will take out construction financing once construction is complete and the project is commissioned.

Stage 5

BANKABLE FEASIBILITY STUDY

- ◇ Preparation and review of detailed project financials, including capital and operating budget, pro forma and cash flow statements.
- ◇ Determination that all major design, technical, approval and financial terms required to take the project forward are in place or obtained.
- ◇ Negotiation and execution of a range of project agreements to finalize implementation details, which can include Project Management, Lands/Water Authorities, Financing, In-Construction Decision Making, and others.

Stage 7

COMMISSIONING & OPERATIONS

- ◇ Construction stage financing, including any requirements for Indigenous and partner equity or cash flow.
- ◇ Regular reviews of project power generation, cost, revenue and operations performance, including quarterly reporting to partners, and annual reports to Nations leadership and membership/citizens.
- ◇ Annual distributions (profits) to partners with disclosure of all financial calculations.

Factors Impacting Indigenous Equity Returns

There is a marked difference between the “Top Line” of revenue generated from power sales to utilities or electricity buyers and the “Bottom Line” revenue (i.e., profit) that can be distributed to project partners, including Indigenous Nations.

Several elements can reduce the amount of return to equity holders and significantly lower distributions.

CAPITAL COSTS FOR PARTNERSHIP FORMATION, BID PREPARATION, PRE-FEASIBILITY AND FEASIBILITY

Costs incurred by the development partner at these stages in the project that need to be repaid, at a rate of interest negotiated between the partners. These terms are usually set out in the Term Sheet or Shareholders Agreement.

LENDING OR BACKSTOP PROVIDED FOR INDIGENOUS EQUITY INVESTMENT

By the development partner, or another lending entity, which must be repaid from project distributions.

ADDITIONAL CALLS FOR EQUITY

Partners have to meet additional equity investment requirements from various sources, including borrowing. Often arising from capital cost overruns and construction or operating contingency requirements.

RESERVE FUNDS TO COVER LONG-TERM DEBT CONDITIONS

Long-term lenders want to ensure the project has liquidity to pay principal and interest of monies borrowed. This means that reserves will need to be maintained in the partnership, and funds may not be distributed if there are insufficient reserves. In addition, given the intermittent nature of renewable energy, there may be a need to hold operating reserves in the project partnership.

MANAGEMENT, OPERATING AND MAINTENANCE FEES

Clean electricity projects must cover the costs of managing and operating the project, and maintenance costs. These costs reduce the funds available for distribution to partners.

Red Flag

FACTORS THAT REDUCE RETURNS ON INDIGENOUS EQUITY



Several factors can reduce project distributions (profit) to partners, including the Indigenous entity and/or Nation. It is particularly important in partnership negotiations, and in the formal documentation, such as Term Sheets and Shareholder/Corporation Agreements, that the scale, calculation and impact of these factors are clearly identified.

In addition, the partnership agreement may allow the development partner or the Indigenous entity to buy out the equity of the other partner. If this is the case, a definition of how buyout provisions are calculated is needed, which should include selection of independent (from the parties) adjudicators who can provide buyout options.

An independent business or financial advisor can help evaluate factors that could reduce returns on Indigenous equity. It is important to ask an advisor about these factors and determine a realistic return, including estimated annual returns after costs and debt servicing. In some cases, these factors may result in returns that are too low to justify the time and resources required for the projects, or the advisor may outline a fairer distribution of upfront costs.

After the term of the EPA or PPA ends, partnership agreements should clarify how assets will be managed. Issues to address include responsibilities and cost coverage for project decommissioning, and how the partners would seek additional customers/ contracts for the generated power, or a renewed PPA/EPA.

A group of people, including men and women of various ages, are standing on a grassy hill. They are looking towards the horizon under a bright blue sky with scattered white clouds. The people are dressed in casual outdoor attire like jackets, hats, and jeans. The ground is covered in dry grass and some small plants.

Section F

Further Resources to Access

INDIGENOUS CLEAN ENERGY (ICE) PROGRAMS

ICE has a range of programs that support Indigenous capacity building for community engagement and for planning/partnering and project development of clean electricity projects at community and utility scales.

- ♦ **20/20 Catalysts:** The 20/20 Catalysts Program is a six-month intensive training and mentorship program that empowers Indigenous professionals—known as Catalysts—to lead clean energy projects in their communities. Through hands-on learning, expert mentorship, and peer collaboration, participants gain the knowledge, skills, and connections needed to advance clean energy projects and meaningful partnerships.
- ♦ **Bringing it Home Project Accelerator:** The Bringing It Home Project Accelerator is an Indigenous-led initiative addressing critical housing challenges through large-scale, community-driven energy efficiency projects. The program leverages energy efficiency as a pathway to healthier, more sustainable living.
- ♦ **Generation Power:** The Generation Power program connects Indigenous youth with employers in the energy sector through work placements lasting three to twelve months. These opportunities provide hands-on experience in the growing clean energy economy and exposure to the wide range of career paths available in the field.
- ♦ **ICE Network:** A knowledge-sharing community platform that brings together Indigenous leaders, clean energy practitioners, utilities, governments, and industry partners. It provides access to training, mentorship, resources, and discussions that help accelerate clean energy initiatives in Indigenous communities. Join the network [here!](#)
- ♦ **ICE Community Benefits Plan Guide:** An ICE Community Benefits Plan Guide, in addition to equity ownership

BC CLEAN ENERGY

- ♦ **[First Nations Energy Summit 2025 Event Website](#)**



*Prepared by Indigenous Clean Energy
In Collaboration with
Clean Energy BC*

Published November 2025