

Obviously, there are very grave problems here. It is difficult to see how private residents could ever cope with their full energy costs under the existing supply system.

2. Conservation

It has often been said that the cheapest source of energy is conservation. It is cheaper to save a gallon of oil or a kilowatt of electricity than to buy it. There is little doubt that this is valid in the NWT today.

In the private residential, commercial and industrial sectors there are ample incentives to conserve considering that consumers bear the cost of their own consumption. In addition, the Federal Government established programs that assist the residential customer to improve the energy efficiency of his home. These programs, the Canadian Home Insulation Program (CHIP) and Super CHIP, offered up to \$1,300 in grants for insulation and other conservation measures. These programs were been well publicized and widely used.

For the private commercial and industry sectors there is a program designed to provide technical assistance and advice on conservation through a free "energy audit" of the customer's premises and operations. Called the National Audit Program, this effort is administered by the province or territory and cost shared with the Federal Government. The GNWT has recently undertaken this program in conjunction with a similar program of its own called the Business Energy Conservation Incentive Program (BECIP).

In the public residential sector, 77% of all residential heating oil is consumed in public housing which comprises about 66% of the total housing stock. This consumption is almost totally subsidized and there is little incentive to conserve. The GNWT is making an effort to stimulate "user-pay" practices. However, it must be realized that for the foreseeable future, given the economic nature of the remote communities, it will not be possible to transfer a large part of the costs to the consumer. Thus the price mechanism, as a force for conservation, will remain largely impotent in these instances.

Also in the public sector, municipal conservation is fostered by the GNWT in a variety of ways, including: advice and assistance and the development of better community design standards.

There is a Federal Program that offers another way to achieve energy savings. Called the Municipal Energy Program, this plan will fully fund the first year costs of a specialist to work with a community to find ways to save energy. With some redesign, this program could provide assistance to a number of communities on a part-time basis.

In all sectors of the NWT economy, there appears to be a need for a more explicit building code that enforces standards appropriate to the climate. These new standards could ensure that future energy costs are considered as important as initial building or retrofit costs in the construction or upgrading of any structure. With this in mind, the Federal Government has begun to develop a new Arctic Housing Standard.