

C A N A D A

PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

FILE No. R-4045-2018

PHASE 1, STEP 3 (Tariffs and conditions)

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RÉGIE DE L'ÉNERGIE

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TARIFFS AND SERVICE CONDITIONS OF  
HYDRO-QUÉBEC DISTRIBUTION (HQD)  
FOR CRYPTOGRAPHIC USE APPLIED TO  
BLOCKCHAINS

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HYDRO-QUÉBEC  
In its quality of Distributor

Petitioner

-and-

THE CREE GROUP,  
consisting of :

The Cree First Nation of Waswanipi

And

The Tawich Development Corporation (a  
Corporation entirely owned by the Cree First  
Nation of Wemindji through a holding  
corporation)

Intervenor

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**OPENING STATEMENT**

Mr. Sam Gull

for

The Cree Group,  
consisting of

The Cree First Nation of Waswanipi  
The Tawich Development Corporation (Wemindji)

October 2020

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#### ENGLISH TRANSLATION FROM CREE

It is with great pleasure for me to represent before the Energy Board the Cree First Nation of Waswanipi as well as the Tawich Development Corporation, which is a society entirely owned by the First Nation of Wemindji, through a holding corporation.

We greet the Energy Board as well Hydro-Quebec and all other participants who are taking part in this hearing.

When we visit a new location, it is customary for us to also greet the First Nation where this location is situated. But in this case, since this hearing is held on the Internet, with participants coming from many different places in Quebec and in Ontario, as well as other listeners to this call that may come from even further locations, my greetings are extended to all 55 Native communities which are part of the First Nations of Quebec and some even in Ontario, all of them including the Cree, the Inuit, the Algonquin, the Mohawk, the Attikamekw-Nehirowisiw, the Huron-Wendat, the Innu, the Abenaki, the Malecite, the Naskapi and the Mi'kmaq Nations.

As I said in the Cree language, I represent today before you the Cree First Nation of Waswanipi as well as the Tawich Development Corporation, which is a Corporation entirely owned, through a holding Corporation, by the Cree First Nation of Wemindji.

Our first nations are located in the James Bay area where, as you know, a large quantity of hydroelectricity is being produced and is used by all Quebecors as well as partly exported to surrounding Canadian provinces and part of the United States.

The electricity which is being produced in the Cree territories therefore benefits to a lot of people both in Canada and the United States. But the Cree Nations, even after the James Bay Agreement and its "Paix des Braves" supplement, are still struggling economically and socially and are still far away from reaching the same quality of life which is enjoyed in more southern regions.

However, the Cree Nations that I represent today wish to take their destiny into their own hands.

They have developed, in each of their communities, **the project of installing blockchain treatment centers** that could, at a later day, be converted into data centers connected to a transcontinental optic fiber infrastructure that is expected to link Tokyo, New York and London through the Arctic, and which we have already presented in Phase 2 of this file.

Such blockchain projects will provide **economic benefits to our communities, both financially and by providing jobs**. Also, such blockchain projects will provide **residual heat** which we intend to use in two greenhouse projects that will provide fresh fruits and vegetables to our communities at an affordable price all year long, as well as using that residual heat possibly also for a chicken farm and a fish farm. Such use of the residual heat would be of considerable benefit to our communities which, as too many First Nations, is suffering deeply from **lack of access to fresh and economicall accessible nutritious food**.

The Cree Nations that I represent today also want to act responsibly in the nature of the blockchain activities they wish to implement. We finally have decided, at this present time, not to take part in **monetary blockchain such as Bitcoins**, since those are greatly speculative and extremely volatile. The business cases for these projects would therefore very difficult without a very low tariff if the Bitcoin value continues to remain at a very low level or to fluctuate widely.

We have learned during the present case before the Energy Board that Hydro-Quebec proposes to offer **a sweet deal to ten local municipalities** that buy the electricity in bulk from Hydro-Quebec and then redistribute it to their own residents. In that sweet deal, Hydro-Quebec wishes to reduce to only 100 hours par year the length of time during which these municipalities would have to interrupt their electricity at the request of Hydro-Quebec. These municipalities would also keep within their own community any penalty they would collect from their own residents if they fail to interrupt during that time. This sweet deal is unfair to other communities, such as the Cree First Nation of Wemindji that also buy the electricity in bulk from Hydro-Quebec and separately redistributes it to its own residents. The Cree First Nation of Wemindji has not been offered by Hydro-Quebec the same sweet deal that it now being proposed to the ten municipalities in the south, even though Wemindji is also a redistributor of electricity.

All this being said however, due to the difficulties and uncertainties related to monetary blockchain use, our communities have made the choice, at this present time, as I indicated, not to go that path. Instead, we have chosen to implement **non-monetary blockchain** in our Nations, such blockchain activities being related to real economic activities that are not speculative, that are socially and economically beneficial to society and we will be honoured to take part in such useful enterprise.

Consequently, we are glad to see that Hydro-Quebec has agreed to recommend to the Energy Board (in this file) that monetary blockchain and **non-monetary blockchain activities** would be treated differently in the Tariffs. As Mr. Schiettekatte will further explain, we agree to Hydro-Quebec's proposal to:

**a) treat with openness non-monetary blockchain activities**, offering it normal access at the normally accessible general tariffs and conditions including access to the economic development tariff,

**b) while, other hand, keep a strict control on the access to monetary-blockchain usage**, with strict multi-year commitments and interruptibility required from such users as well as a limitation of the global quantity of electric capacity available for such use.

The Cree Nations that I represent today strongly recommend the Energy Board to accept such proposal from Hydro-Québec, as Mr. Jean Schiettekatte will now further explain.

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