

*Constructing Capacity: Barriers, Tactics, and
Conditions for CED as Described by
Aki Energy CEO Darcy Wood*

Van Penner

STUDENT, UNIVERSITY OF MANITOBA



Darcy Wood
CEO of Aki Energy

INTRODUCTION

Indigenous communities, burdened by centuries of colonial interference, continue to develop innovative approaches to expressing sovereignty and sustainability within local political economies. In challenging a system which has worked to systematically deprive Indigenous communities of land, culture, and capacity, the strength and utility of embedded knowledge is always displayed prominently. One inspiring expression of this knowledge is Aki Energy,

Van Penner is currently pursuing an Advanced Degree in Global Political Economy at the University of Manitoba with a focus on anti-imperialism, decolonization, and sustainable development.

a social enterprise which “works with First Nations to start green businesses in their communities, creating local jobs and growing strong local economies” (Sharpe, 2017, p. 11).

Aki Energy actively challenges colonial control of energy provision by installing efficient, effective, and inexpensive energy technology while providing disempowered community members with valuable skills and employment. In shifting the paradigm away from corrupt colonial and corporate service provision, Aki faces barriers erected by non-community members who dogmatically adhere to orthodox development rhetoric as well as community members jaded by years of third-party deceit. However, by developing partnerships which allow community leaders to express sovereignty and control, Aki retires paternalistic approaches and values the success of the community and the success of the firm in tandem. As well, the installation of alternative energy utilities, such as geothermal heating systems, equips these communities with increasingly demanded skills which allow traditional philosophical teachings to be incorporated into the urgently required global energy transition. Ultimately, Aki’s focus on capacity building ensures that communities develop equitably, sustainably, and freely, which challenges existing colonial structures and allows invaluable Indigenous ideas to be expressed.

AKI ENERGY PROFILE

Aki Energy is an Indigenous social enterprise founded by entrepreneurs Kalen Taylor, Shaun Loney, and Darcy Wood in order “to provide employment to First Nation communities and also build capacity at the same time” (personal communication, November 5, 2019). Aki works by facilitating the development of community-owned projects by providing the capital and training while selling the outcomes to governments who see their costs shrink. After an unsuccessful attempt to secure a government grant in the hopes of providing Indigenous communities with geothermal heating, Aki was founded in 2013 when the implementation of the Pay-As-You-Save (PAYS) program allowed for a tenable financing model. Working first on a contract basis with Manitoba Hydro, Aki looked “to go to First Nation communities and actually train individuals, to train and also to provide employment opportunities” (personal communication, November 5, 2019). Having already installed over \$15 Million in ground source heat pumps (heating/cooling systems which channel subterranean airflows to achieve residential temperature control) Aki explicitly seeks “to develop economies in First Nations communities and there’s no cost to them at all” (personal communication, November 5, 2019).

With geothermal energy “typically saving customers \$150 or more per month” (Loney, 2016, p. 46), households are able to finance a cheaper and more durable means of providing climate control out of the monthly savings. As well, the creation of local maintenance and construction jobs ensures that money stays within local economies, expanding markets for other local industries. Since the initial Hydro contract, Aki’s funding model now consists of courting foundations and “impact investment” (Loney, 2018, p. 45) that presently takes the form of a \$4.3 million contract with Raven Capital Partners. By allowing investors to earn a return (derived from the outcomes saved), Aki is able to scale operations much more easily than organizations reliant on limited funding. This social enterprise structure allows Aki relatively easy access to capital, which is continually reinvested, allowing the social benefits to scale summarily. As this unique funding model allows Aki an alternative approach to organi-

zational expansion, so too does it allow for Aki to produce different ends, namely, positive social outcomes.

A conventional analysis of Aki's "products" would fail to grasp the scope and mandate of the organization due to the visionary leadership with which Aki conducts its affairs. In reality, this work is simply a means to an end, with the end being a community-derived social goal, such as better public health, housing, and/or family unification. Understanding Aki's method for decision making requires an examination of the unique histories and philosophies of both the communities Aki supports and Aki's members. CEO Darcy Wood listed several of Aki's founding principles: "We want to pull everyone along, it's in the teachings ... we care for the environment, Mother Earth ... Not just focus on profit" (personal communication, November 5, 2019). From these guiding principles Aki has specifically focused on "the outcomes for getting people off social assistance, EI, and potentially in keeping families together", while explicitly targeting "individuals who are hard to employ" (personal communication, November 5, 2019). In order to secure these ends, Aki looks to develop capacity through the tripartite strategy of education, training, and employment, emphasized by Wood as "skills, that we've worked with them, that they've become employees and moved into other fields" (personal communication, November 5, 2019). The opportunity provided by Hydro to install geothermal units in First Nation communities allowed Aki to partner with Fisher River Builders and Peguis First Nation, Aki has since formally expanded into another two communities. This focus on capacity building has manifested itself in the number of people trained by Aki, which Wood estimates is "probably in the neighbourhood of over 50 individuals" (personal communication, November 5, 2019). Importantly, this training extends beyond formal trades certification, as they "also train fiscal knowledge, how to budget properly, and involve the family" (personal communication, November 5, 2019). Assuming costs such as these would be unthinkable in an orthodox business practice; however, the leaders of Aki shrewdly understand that they are necessary for the successful development of local economies. By aiding community members formerly excluded from meaningful participation in the economy, Aki's approach to community development maintains this unique yet invaluable tactic.

Another important aspect of Aki's business plan is the flexibility with which they approach community development, ensuring that solutions are derived from community ideas and that Aki's team is able to support them in any capacity necessary. Wood justifies this approach by saying, "[B]ecause we work with First Nations, we want First Nations to determine what they want to do; we call this community driven process ... In particular, when we talk about community driven aspects, we use elders within their community" (personal communication, November 5, 2019). Aki supports this process by securing the funds necessary for both training and inputs to ensure that communities lacking significant resources are able to organize solutions. By eliminating entry costs Aki ensures that communities do not have to risk taking on loans or debt which deter future investment or increase vulnerability to financial predation. Finally, Aki works to forge respectful relationships with both communities and staff members by relating to them as partners, "not employees" (personal communication, November 5, 2019), as Wood is swift to communicate.

Taking advantage of demand-side stimulus by Hydro, Aki energy serves to build capacity and provide opportunity in First Nations communities through the training, instalment, and maintenance of energy efficient heating systems. As they look to expand into commercial installation as well as alternative energy development projects, Aki will maintain the

organizational focus on helping communities determine and achieve their goals while forging relationships of respect in the process.

CHALLENGES AND SUPPORTS

The inspirational and innovative approach adopted by Aki has been accompanied by myriad obstacles and innovations, which have engendered a strong ethic of problem solving within its members. While not all the challenges Aki experiences are negative (such as competition for labour), it is important to understand that disrupting centuries of colonial and corporate practices is an arduous task. However, with the importance of reconciliation finally becoming a topic in mainstream discourse, there is a growing supply of supports and resources available to important organizations such as Aki.

Historically, Aki (as well as other community enterprises on reserves) have faced steep competition from large corporations, like Manitoba Hydro or the Northern Store, which enjoy the twin perks of cost advantage (due to scale) and government subsidies. The reluctance of these monopoly suppliers to cede provision to local sources is unthinkable, as Shaun Loney recalls his fight to allow people on social assistance to make use of the PAYS program:

They [the government] preferred to pay the higher bills that created no employment instead of the guaranteed-by-law lower bills that created employment.

Situations such as this serve to demonstrate the power of the colonial mindset and its contemporary effects on the Canadian political economy. The active opposition by CIRNAC/ISC to support local development is cited by other Indigenous communities, such as Osoyoos in British Columbia, where a lack of government transparency regarding the community land claims repressed development for years. Breaking the colonial mindset which seeks control of Indigenous affairs, and the state or private monopolies which enforce it, is a continual challenge for organizations like Aki that seek to empower communities.

As well, other challenges associated with establishing and maintaining relationships with First Nations present themselves due to the complexities of local tribal politics. Darcy Wood emphasized the brevity of tribal council terms, saying “some communities only have a 2 year term, some 3, some 4, with a 2 year term it’s a little more challenging ... we are front and centre in briefing the new council; it’s a lot of work” (personal communication, November 5, 2019). As a result of having to continually inform new councillors on both the importance and intricacy of Aki’s business model, formal political support from the community requires considerable time and energy. Convincing members wary of Aki’s endeavours to support the firm is an additional challenge due to the deceit displayed by both governments and corporations in their dealings with Indigenous communities throughout history. Darcy Wood explained this perspective perfectly in saying “people get a bit leery sometimes, thinking it’s too good to be true, somewhere down the line where do we pay” (personal communication, November 5, 2019). Issues with tribal council governance structures have been cited by other communities pursuing economic development, with Sara and Wade Rose emphasizing the “importance to institutional legitimacy of each community’s governance with its historically specific informal institutions” (Rose & Rose, 2012 p. 55). However, due to Aki’s strong adherence to the seven sacred teachings it is becoming easier to build trusting partnerships with communities who have historically not been dealt with in good faith.

Another consideration of Aki's is the vast diasporic sprawl of many communities with which they build partnerships. Working to provide training and inclusion for community members who live off reserve is a limitation faced by many communities looking to develop their reservations. While some communities, such as Membertou, were able to attract economic émigrés back to their communities to facilitate development, others have sought alternative means, such as urban reserves, in order to maintain community consciousness. Evelyn Peters of the Urban Aboriginal Economic Development National Network (UAED) detailed some of these challenges, including the lack of an urban land-base and historical and institutional fragmentation, while also providing surplus human capital and access to markets as an encouraging boon. While Aki still struggles with these issues, their working relationship with urban social enterprises such as BUILD provide the basis for collaborative future efforts which could bridge geographical limitations.

Finally, Aki CEO Darcy Wood was eager to mention the challenge of losing trainees to higher paying firms and industries, a problem Aki is happy to face. Darcy, smiling, described the situation as "people we work with, they go find a better job, which, it's good, but we have to train other people" (personal communication, November 5, 2019). The high level of turnover for Aki's trainees speaks volumes about Aki's success in successfully investing in previously disenfranchised community members. Assuming higher fixed costs, such as training, which is seen as an inefficiency in most firms, is seen as a measure of success for Aki due to the fact that they have successfully provided upward mobility for people with barriers to meaningful employment. While this may count as a challenge in terms of business continuity, it's ultimately a sign of the firm's success; or, as Darcy Wood described it, "You start a new crew, it takes a bit more time to get to the same level, but we like that" (personal communication, November 5, 2019).

While Aki faces many challenges, they have also developed many supports in their quest for community economic development. Aki understands that community development must be holistic, in the sense that communities must encourage diversified development and local sovereignty in tandem. One example of this is Aki Energy's subsidiary, Aki Foods, which is developing local, healthy, independent food production in Garden Hill while selling the outcomes (reduced diabetes/healthcare costs) to the government. By investing in skills relating to management, organization, and strategic planning, Aki's commitment to capacity building has revealed knock-on effects, which include firms such as Aki Foods. Darcy Wood's statement, "We wanted to create other entities on First Nations communities" (personal communication, November 5, 2019) alludes to the holistic approach undertaken by Aki to ensure that money staying within the community is used to expand markets so that locally owned enterprises may succeed. These knock-on effects of capacity building are expressed in other communities as well, with the Tsilhqot'in Nation in British Columbia developing local greenhouses for food production in the wake of its massive solar farm being installed. With the Tsilhqot'in developing greenhouses to utilise excess heat being provided by local energy infrastructure, and Aki Foods being developed through the skills and experiences of members of Aki Energy, it should be no surprise that community owned projects reap five times the benefits (as was described in the first section).

While partnerships with other developing firms help keep money and markets within the community, partnerships between different communities provide valuable lessons and possibilities. Aki has built connections with Hutterite colonies in Manitoba who are pioneering ambitious biomass energy technology in their bid for sustainable, sovereign production. Exploring the vast variations in financing models, energy infrastructure, and opportunities

taken by other communities is a means of achieving combined development through locally legitimized means. Ultimately, whether partnerships are between Hutterite and First Nations communities, urban and rural groups, or firms within the same community, Aki has actively sought to achieve innovation through multiple channels in order to face the numerous challenges implicit in its work.

COMMUNITY ENGAGEMENT

To understand Aki's commitment to community engagement, it is necessary to understand CEO Darcy Wood's experience as Chief of Garden Hill First Nation, where "the money that comes in, our transfer payments come in each month and 80% just evaporates to outside companies" (personal communication, November 5, 2019). He also noted that "First Nations are so used to having consultants come in and do all this work and they leave," (personal communication, November 5, 2019) a practice which is the antithesis of any attempts at capacity building. Aki Energy's self-stated "community-driven process" begins with the community identifying a problem, such as "getting people off social assistance, EI, and potentially in keeping families together" (personal communication, November 5, 2019). Having established the nature of the problem, Aki supports communities in developing and implementing the technology necessary to alleviate the problem while finding ways to measure the reduction of costs associated with fixing it. Aki ensures that the success or failure of the firm is intimately tied to the success or failure of the community in achieving its social goals, which breeds solidarity and trust between the two partners. Crucially, Aki provides all the upfront capital and ensures that the communities are not required to divert any capital away from the community in order to fund their projects. By eliminating cost barriers and ensuring that solutions are communally legitimized, Aki maintains a prominent success rate and is emerging as one of the leading Indigenous economic developers in Canada (as demonstrated by the hardware received by both Aki and Darcy Wood at the Clean50 awards this fall). Using the seven sacred teachings while "showing them the positives of social enterprises" (personal communication, November 5, 2019), Aki Energy works to develop community appropriate solutions without adhering to strict colonial or business approaches and thus demonstrates a full commitment to improving the socio-economic, health, and political indicators within Indigenous communities.

WORKS CITED

- Gilpin, E. (2019, March). Our Own Hands. *National Observer*. <https://www.nationalobserver.com/2019/03/28/clean-energy-aligns-who-we-are-indigenous-people>.
- Loney, S. (2016). *An Army of Problem Solvers: Reconciliation and the solutions economy*. Winnipeg: Friesens.
- Loney, S. (2018). *The Beautiful Bailout: How social innovation scale-up will solve government's priciest problems*. Winnipeg: Friesens.
- Peters, E. (2009). Opportunities and Challenges Urban Environments Represent for Urban Aboriginal Economic Development. *Urban Aboriginal Economic Development Network*, 1–20.
- Rose, S., & Rose, W. (2012). Factors Influencing the Economic and Social Prosperity of Aboriginal Peoples. *Journal of Aboriginal Economic Development*, 8(1), 49–64.
- Sharpe, J.A. (2017). Aki Energy: A Case Study of Aboriginal Social Enterprise. *Journal of Aboriginal Economic Development*, 10(2), 8–27.