



# Yukon Legislative Assembly

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Number 140

1st Session

33rd Legislature

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## HANSARD

Thursday, April 10, 2014 — 1:00 p.m.

Speaker: The Honourable David Laxton

# YUKON LEGISLATIVE ASSEMBLY

**SPEAKER — Hon. David Laxton, MLA, Porter Creek Centre**

**DEPUTY SPEAKER — Patti McLeod, MLA, Watson Lake**

## CABINET MINISTERS

### NAME CONSTITUENCY PORTFOLIO

<b>Hon. Darrell Pasloski</b>	Mountainview	<b>Premier</b> Minister responsible for Finance; Executive Council Office
<b>Hon. Elaine Taylor</b>	Whitehorse West	Deputy Premier Minister responsible for Education; Women's Directorate; French Language Services Directorate
<b>Hon. Brad Cathers</b>	Lake Laberge	Minister responsible for Community Services; Yukon Housing Corporation; Yukon Liquor Corporation; Yukon Lottery Commission Government House Leader
<b>Hon. Doug Graham</b>	Porter Creek North	Minister responsible for Health and Social Services; Yukon Workers' Compensation Health and Safety Board
<b>Hon. Scott Kent</b>	Riverdale North	Minister responsible for Energy, Mines and Resources; Yukon Energy Corporation; Yukon Development Corporation
<b>Hon. Currie Dixon</b>	Copperbelt North	Minister responsible for Economic Development; Environment; Public Service Commission
<b>Hon. Wade Istchenko</b>	Kluane	Minister responsible for Highways and Public Works
<b>Hon. Mike Nixon</b>	Porter Creek South	Minister responsible for Justice; Tourism and Culture

## GOVERNMENT PRIVATE MEMBERS

### Yukon Party

<b>Darius Elias</b>	Vuntut Gwitchin
<b>Stacey Hassard</b>	Pelly-Nisutlin
<b>Hon. David Laxton</b>	Porter Creek Centre
<b>Patti McLeod</b>	Watson Lake

## OPPOSITION MEMBERS

### New Democratic Party

<b>Elizabeth Hanson</b>	Leader of the Official Opposition Whitehorse Centre
<b>Jan Stick</b>	Official Opposition House Leader Riverdale South
<b>Kevin Barr</b>	Mount Lorne-Southern Lakes
<b>Lois Moorcroft</b>	Copperbelt South
<b>Jim Tredger</b>	Mayo-Tatchun
<b>Kate White</b>	Takhini-Kopper King

### Liberal Party

<b>Sandy Silver</b>	Leader of the Third Party Klondike
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## LEGISLATIVE STAFF

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Deputy Sergeant-at-Arms	Doris McLean
Hansard Administrator	Deana Lemke

**Yukon Legislative Assembly  
Whitehorse, Yukon  
Thursday, April 10, 2014 — 1:00 p.m.**

**Speaker:** I will now call the House to order. We will proceed at this time with prayers.

*Prayers*

**Withdrawal of motions**

**Speaker:** The Chair wishes to inform the House of changes which have been made to the Order Paper. Motion No. 549, standing in the name of the Member for Watson Lake, and Motion No. 626, standing in the name of the Member for Pelly-Nisutlin, have been removed from the Order Paper as the actions requested in these motions have been taken.

**DAILY ROUTINE**

**Speaker:** We will proceed at this time with the Order Paper.

Tributes.

Introduction of visitors.

**INTRODUCTION OF VISITORS**

**Hon. Mr. Dixon:** I would like to ask members to join me in welcoming some visitors to the gallery. First of all, we have Jonathan Rudolph and Darcy McLean from KBL Environmental, a local environmental services company. As well, we have Campbell Malloch, who is an engineer with CH2M HILL, which is currently working on the design and execution of the Faro mine remediation project. Mr. Malloch is also the 2011 Norris Trophy winner for the YRHL.

*Applause*

**Speaker:** Are there any returns or documents for tabling?

Are there any reports of committees?

Are there any petitions to be presented?

Are there any bills to be introduced?

Are there any notices of motions?

**NOTICES OF MOTIONS**

**Ms. McLeod:** I rise to give notice of the following motion:

THAT this House urges the Yukon government to use the 2014-15 budget to invest \$11.1 million in improvements at the Erik Nielsen Whitehorse International Airport for runway resurfacing and replacing panels on the tarmac.

**Mr. Hassard:** I rise to give notice of the following motion:

THAT this House urges the Yukon government to use the 2014-15 budget to invest \$1.284 million for the schematic design of the Sarah Steele Building replacement project.

**Mr. Tredger:** I rise to give notice of the following motion:

THAT this House urges the Government of Yukon to protect public safety by committing to build in 2014 the Freegold Road bypass in Carmacks that will keep heavy industrial traffic away from the residential area that includes a toddlers park, a school zone and a community boardwalk where people walk, bike and run.

**Speaker:** Is there a statement by a minister?  
This brings us to Question Period.

**QUESTION PERIOD**

**Question re: Tourism industry promotion**

**Ms. Hanson:** The Department of Tourism and Culture 2013-2018 strategic plan mentions marketing twice but includes no specifics and no commitments regarding marketing. In the 2013-16 tourism marketing strategy, there is no mention of television marketing. Earlier this year, the Tourism Industry Association called for a strategic investment in a television tourism marketing campaign. Yesterday, the Minister of Public Works repeatedly stated that this government has — quote: “got the money”. Apparently the government does not have the political will to listen to local and national industry experts.

My question is: Why has the government ignored the advice of the Tourism Industry Association in their call for a strategic investment in a domestic tourism television campaign?

**Hon. Mr. Nixon:** Quite contrary to the member opposite, the department and this government has ignored nothing from TIA. They came forward with a request in February, following the budget cycle being completed.

We are taking this request very seriously but we haven't committed to any dollars within this budget, as you'll be well aware.

We continue to work with key stakeholders in the tourism market to market the Yukon on a global basis. The stakeholders bring a lot to the table. We're afforded a very good working relationship with them.

Moving forward, we'll continue to work with TIAY; we'll continue to work with the Yukon stakeholders in promoting the territory around the globe. That has been successful for us in the past. We've seen continued growth over the last 10 or 12 years, with an average of about three percent per year growth. Last year was perhaps an anomaly, where we saw eight-percent growth in the territory. We'll continue to work with stakeholders and I thank the member opposite for her question.

**Ms. Hanson:** In fact, the request was made public in January, so one would anticipate, with that good relationship, that there had been prior conversations in advance of that. The question really is: Who is the government listening to, if it's not the tourism sector — which has done its research — and if not local businesses with proven and successful tourist operations?

The marketing strategies that are delivering great results for other jurisdictions are multi-year plans that have targeted funding. This budget — the government's budget — contains \$220 million of increased spending, but only 0.7 percent of that is going toward tourism.

We are talking about one of the most resilient sectors of our economy and one that has great potential for growth. Why has this minister failed to ensure that the vital tourism sector receives only 0.7 percent of the overall budget increase?

**Hon. Mr. Nixon:** In addressing the member opposite, I need to make a couple of key points. One, the Department of Tourism and Culture takes a very strategic approach when marketing and using the dollars they have in the existing budget. They do utilize TV space in advertising, but they do it very strategically with key shows that are on TV that have been proven to deliver a crowd.

The other point I need to make that the member continuously fails to mention is that Yukon and our tourism sector is leading the country with the growth that we've seen over the last number of years. I commend the department and the strategic approach that they take. I find it very odd that the Leader of the Official Opposition would attack this industry — one that is doing very well, leading the country and making this government very proud.

**Ms. Hanson:** It is unfortunate the minister fails to see an opportunity to build on that lead across this country, to build on the consistent growth of this sector — this growth which is due to the hard work of the operators. Tourism in Yukon is a thriving example of a sustainable economic diversity. This government is failing to support and build on the successful growth of this sector. All we hear about it that it is successful. Well let's build on it. The minister has the opportunity and, as we've heard yesterday, his government does indeed have the money. Where's the political will? Will the minister revisit this issue, work with the Tourism Industry Association and commit to a strategic investment in a multi-year domestic television marketing campaign?

**Hon. Mr. Nixon:** Interesting the member opposite — because she's very selective when listening to the information that we give to her from this side of the floor. There has been years of continued growth in the tourism sector with an average of three percent growth per year.

Last year, in 2013, we saw an eight-percent growth overall. In the domestic market, we saw a 17-percent growth.

The Department of Tourism and Culture will continue to work with the stakeholders in the territory, as we have over decades. They are an integral part of the tourism team. We are afforded a very good working relationship. With respect to TIAY, their ask did come in January and the Member of Parliament is committed to working with his colleagues to allocate funding. We are still waiting for a comprehensive business case from TIAY, so we're not going to take a stand before we see the comprehensive business case from TIAY, but what we will take a stand on is congratulating the entire tourism sector on phenomenal work — eight-percent growth in 2013, three-percent growth overall over the last 10 years.

### Question re: Legal aid funding

**Ms. Moorcroft:** Last year, because its core funding ran out, Yukon Legal Aid Society had to cut some of the poverty law services that it provides to vulnerable Yukoners. The government should have seen this coming, because Legal Aid notified the department in advance when it saw the 2013-14 fiscal year budget would be inadequate for its needs.

As the Minister for Highways and Public Works informed the House yesterday, the government has the money. Will this government agree to provide sufficient core funding to Legal Aid, so that it can offer all services, including poverty law services, throughout the entire 2014-15 budget year?

**Hon. Mr. Nixon:** The simple answer to that is that we continue to work with Legal Aid, as we have over the last number of years. If there have been significant cases in the territory and there have been shortfalls in the legal aid system, we have always come to the table — always.

There was an ask last year for additional funding. We do know that we provided \$435,000 — I believe it was — additional to Legal Aid in the 2013-14 calendar cycle. It is my understanding that they are in a \$300,000 surplus right now. We continue working with Legal Aid. We have a great relationship working with them. They provide a very important service to Yukoners.

**Ms. Moorcroft:** Mr. Speaker, I'm aware the government has provided additional one-time funding and is asking Legal Aid to tap into its surplus, but in this year's budget, the government has increased its spending by \$220 million. Legal Aid requested a core funding increase of \$400,000, but this government only gave them a \$21,000 increase. This small increase shows the indifference that this government has toward the Legal Aid Society and the vulnerable individuals who they provide their services to.

The Yukon comes in dead last in legal aid funding across Canada, yet yesterday we heard in this House that the government does have the money. If the government says they have the money, all that is missing is the political will. Why has this government refused to provide the increase to its core funding that has been requested by Legal Aid?

**Hon. Mr. Nixon:** Mr. Speaker, as you'll know, the Department of Justice already provides Legal Aid with core funding of about \$750,000. They also receive another \$864,000 from the federal government for a total core budget of about \$1.6 million. We have seen over the last number of years that there have been shortfalls within the legal aid system. They have had a significant surplus that they've been able to draw upon and they have another \$300,000 surplus at the end of the 2013-14 fiscal year.

We continue to work with Legal Aid. They provide an essential service to Yukoners. The department is working with Legal Aid for longer term funding solutions, but that work is ongoing and we look forward to working with them on that.

**Ms. Moorcroft:** We've heard the minister — and I know that the Yukon government did have to provide budget increases to Legal Aid for the previous three fiscal years, but what is needed is a stable core funding increase. We know that legal aid services are particularly important for the most

vulnerable. They're the ones who suffered the consequences of the suspension of legal aid services last year. Providing legal aid service is about fairness and access to justice.

Why doesn't the minister understand that the inability to access basic legal aid services, even for a few months, is a serious problem for the people who need legal aid?

**Hon. Mr. Nixon:** I think what the member is failing to recognize is the \$1.6 million in core funding that Legal Aid currently receives, both from the Yukon territorial government and Canada. We have worked with Legal Aid and continue to work with Legal Aid in times when they are perhaps short of funding. What we know as of right now is that, in the 2013-14 budget cycle, we provided them with an additional \$435,000 — I believe it was — and that left them in a \$300,000 surplus.

We'll continue to work with Legal Aid. They offer an essential service in our territory for people in their time of need and I commend them for their work.

### **Question re: Emergency 911 coverage**

**Mr. Silver:** I have a question for the Minister of Community Services about his claim last week that 911 has been tested in all Yukon communities.

On March 24, 2014, the Government of Yukon received a letter from the CRTC regarding the work the government had undertaken and it said — and I quote: "The Yukon interim rural 911 emergency response access system service proposed in your letter does not meet basic 911 or enhanced 911 service definitions."

In other words, the CRTC has already told the minister that the temporary solution that he is working on does not qualify as a 911 service. I have a very simple question for the minister. Why did the minister tell Yukoners that 911 has been tested in all of the communities when the CRTC had already told him the system he was testing did not even qualify as 911?

**Hon. Mr. Cathers:** I'm somewhat dismayed by the member's lack of understanding of the letter. I would encourage him to read it again, because in fact, what the letter goes on to say is: "It is open to the Yukon government to discuss with Northwestel the possibility of filing a tariff application." The member clearly has not understood the letter and he might want to read it again, because what we have heard from the CRTC is that in fact the Yukon government along with Northwestel can apply and they will consider whether the system that has been tested is something they will allow us to operate or not.

**Mr. Silver:** I don't know if this mic is on or not but I'm not talking about tariffs or applications therein. I'm talking about the claims the minister made in the papers.

Last week, the minister claimed in this House as well that 911 services have been tested in all Yukon communities. A letter from the CRTC dated March 24, 2014 flat out contradicts the minister's statement. It says the system the minister is testing is not even considered 911.

In order for CRTC to consider something 911, there must be a verbal exchange of information. The system the minister did test in all Yukon communities does not include this

essential exchange. Once again to the minister: Why did he say that 911 had been tested in all Yukon communities when the CRTC had already told him that the system that he was testing did not qualify as 911?

**Hon. Mr. Cathers:** Again, the member is, quite simply, wrong. As I noted in the interview to the paper and I have indicated in the House, what we put in place is a system that staff dubbed a 911 autoselect option which allowed people dialing 911 in a community, upon reaching the service, to press "1" for police, "2" for fire, and "3" for ambulance.

We refer to this as an "interim" option while we continue to work with the various stakeholders involved on considering the possibility of 911 dispatch, recognizing — I know the member hears from certain stakeholders in his riding whose views we appreciate — that they want a 911 dispatch system. We've also heard from others, including, specifically, Yukon municipalities — which clearly the members are not interested in — that are concerned about moving to a dispatch system and feel that it would in fact increase response times.

What we began with initially was looking at the option of a recording in Yukon communities that would advise people who didn't know they should be dialing the seven-digit number in those communities upon reaching 911. They would receive a list of the numbers for that area, but through work of staff with Northwestel, that evolved into a system that has been tested, that would allow Yukoners to press "1", "2" or "3" in Yukon communities outside of Whitehorse while the larger project is worked on.

**Mr. Silver:** I have been asking this government to bring forth Yukon-wide 911 services for 2.5 years now. It is clear that is not a priority for this government, or we would have had it in place by now. This attempt at stating that Yukon-wide 911 could come soon for all Yukon communities is quite premature, and it might have repercussions on the safety of the public in that they would be under the impression that there was a full-fledged 911 service in place when we know that that is simply not the case.

Is the minister committed to setting aside the funding necessary, including a project manager, so that residents and visitors to the Yukon can benefit from this life-saving system that the majority of North America, including Whitehorse, already has in place?

**Hon. Mr. Cathers:** What we see is the continued mischaracterization of the facts by the Leader of the Liberal Party. I'm happy to provide all of the media and all Yukoners with copies of the correspondence so that they can see what the facts actually are.

What we have indicated, including through the letters from the assistant deputy minister to the CRTC — note the fact that we have put in place this interim system, which has been beta tested in Yukon communities outside of Whitehorse — I should note that it is with the exception of Old Crow because of the difference of that satellite-switching system. The system has been tested. It would allow Yukoners who dial 911 in those areas to press 1, 2 or 3 for the services that they need. While this is an interim step, it is certainly better than someone dialling 911 and not getting anywhere.

The dispatch option proposed by the Member for Klondike — we've heard specific concerns from municipalities about that proposal. Unlike the Member for Klondike and unlike the Liberal Party, we are listening to Yukon communities and we will work with all of our stakeholders on this project.

But 911 autoselect, as it has been referred to, has been tested. It does work. We are working with Northwestel on seeking CRTC approval to put that in full operation.

**Question re: International student health care insurance costs**

**Ms. Stick:** Last fall, the government brought forward the *Insured Health Services Statutes Amendment Act* to clarify the rules that determine who is covered by our public health insurance system. Although the law passed, it is not perfect yet. Somehow, international students have been excluded. Both of our neighbours in northern Canada provide full health care service coverage to resident international students with a valid study permit. This makes economic sense when you are trying to attract qualified young professionals — students — to the Yukon to build tomorrow's economy.

It is our understanding that this could easily be fixed by this government through regulations. Will the government immediately recognize resident international students as insured persons eligible for health services?

**Hon. Mr. Graham:** Unfortunately, the member opposite obviously hasn't been listening to some of the comments made recently, both by Yukon College and others, stating that at the present time, the lack of health care for students attending an educational institution in the Yukon has not been an impediment to attendance by those students.

I realize the member opposite is reacting to a local newspaper article wherein a student registered at the University of Alberta, not at Yukon College, has been unable to obtain free medical coverage in the territory. I don't anticipate that that will change. We will not be sponsoring Alberta-registered students for free medicare now or probably well into the future.

**Ms. Stick:** The case the minister refers to is actually an international student with a valid permit who has moved here from Alberta where she was attending school. The rule about attending full-time in that province is only for Alberta. It is not the same rule in Nunavut or Northwest Territories. They do not make that distinction. They provide health care coverage to international students with valid student study permits.

Yes, it's maybe not an impediment to those students attending Yukon College now, but it's not an impediment to those students who can afford it. We are talking up to \$2,400 a year for some people. They already pay more for tuition, and health care is another impediment to those who could not afford it and who may want to come here.

Does the government recognize that not providing health care does make it more difficult for the Yukon to attract and retain these people?

**Hon. Mr. Graham:** Once again, the member opposite has given some misrepresentation. The international student coordinator at Yukon College indicated clearly that the number spoken about — \$2,000 a month — and students do not attend university or college 12 months of the year, so the \$200 a month figure that was quoted by the international student as the cost of medical insurance is not a cost experienced by students attending Yukon College. It's very clear in all of the correspondence sent out by Yukon College that medicare is not covered for international students attending the college. As I've said, to date, it has not been an impediment to the college in attracting students.

Once again, the student whom the member opposite is talking about was not a Yukon College student and was unaware that we did not cover international student medical costs because she never applied to Yukon College and was never informed by Yukon College.

So no, at the present time we do not see it as an impediment to Yukon College attracting international students and we will not be sponsoring those students.

**Ms. Stick:** I am glad it is not an impediment to the Yukon College, but it is an impediment to international students who can't afford that extra cost that an international student would require for health care. It costs more money for them to be here and to receive health care privately. Other northern jurisdictions — Nunavut and the Northwest Territories — provide it for free to international students. It does not say they have to attend the school or the college in that jurisdiction. That is not in their regulations. I have spoken to them about this.

This family has moved to the Yukon and chose to make the Yukon their home. The one individual is an international student — not an international student from Alberta — but she is here, trying to be a Yukon citizen. Does the minister really believe international students, where we are the only jurisdiction who aren't —

**Speaker:** Order please. The member's time has elapsed.

**Hon. Mr. Graham:** I guess the member opposite doesn't seem to understand simple economics. It is very expensive to maintain a person for each year on medicare in the Yukon Territory. We have very small population base, and an addition of a number of students — I believe the college has a great number of international students on a regular basis — to add those people to our medical coverage free of charge would be a tremendous expense for the taxpayers of this territory.

As I said once before, this student whom we're talking about is not even a student in the territory. She's a registered student at the University of Alberta, and if she was attending school in Alberta or living in Alberta, she would be covered. She is not covered in the territory now and won't be under those circumstances in the future.

**Question re: Robert Campbell Highway improvements**

**Mr. Barr:** Yesterday the Minister for Highways and Public Works stood up in Question Period and gave Yukoners some fantastic news. He repeatedly told this House, “We have the money.” Two days ago my colleague asked about the safety of the Robert Campbell Highway between Faro and Ross River due to the state of disrepair it is in. This year’s budget, like the past 11 Yukon Party budgets, had no major funding for that section of the highway. As we have heard, this government has the money but decided not to commit to repair the roads between these two important communities. Can the minister tell me why he thinks that the safety and well-being of Yukoners and their families travelling between Faro and Ross River is not a government priority?

**Hon. Mr. Istchenko:** First let me let the member opposite know that safety is of the utmost importance for all of our highways, all of our bridges and roads, and for all of the travelling public, whether they are Yukoners or tourists. We have put tens of thousands of dollars into the Robert Campbell Highway already. This year alone we’ve allocated \$250,000 for spot repairs in that section. Our transportation professionals find that this is what is required for the current condition of the road and the traffic that it bears. We have a lot of highways in the Yukon and we continue to ensure that these roads are safe and in safe condition.

We have an O&M budget. We have our travelling roadshow right now going through every section of highway looking at the BST ratings, looking at the gravel roads to see where our O&M budget could be put. If there are issues with that section of road, we put money into it. We do that every year, Mr. Speaker.

**Mr. Barr:** We’re not speaking of spot repairs; we’re speaking of ongoing safety and the lack of money appointed to this road has not been in place.

If you have the money, like the minister said, but decided not to spend it on fixing this road, that says something about the government’s disregard for the safety of Yukoners and their families.

The fact is that this government has spent millions of dollars to improve the Robert Campbell Highway south of Ross River between a mine and Watson Lake, but when it comes to the safety of Yukoners living in Faro and Ross River, highway repairs are suddenly much lower on the government’s priority list.

When will this government realize that it has an obligation to ensure the safety of Yukoners and allocate the necessary funds for major improvements to the highway between Faro and Ross River?

**Hon. Mr. Istchenko:** I do thank the member opposite for the question because I want to clarify a few things for the member opposite. I’ve said this in this House before: safety is of utmost importance on all our highways.

The member just spoke about portions of the Robert Campbell Highway. Its traffic volumes — that’s how we look at all of our highways. I spoke to how we rate things. That’s why you’ll see this year, in this budget, there is \$2.2 million

for erosion control and rehabilitation on the Dempster Highway. It’s very busy. Our Dempster Highway has a lot of traffic on it. We’re doing functional planning on the Freegold Road, the Nahanni Range Road and the Klondike Highway looking for the future. When new resource development comes on-board, we’ll be ready to make the necessary adjustments on these roads to enable traffic to move easily and to increase the safety for the travelling public.

**Question re: Social housing**

**Ms. White:** A number of Yukoners need shelter, but do not fit the criteria to access the Salvation Army shelter. We have repeatedly recommended the government adopt a Housing First approach because it is a proven, cost-effective and compassionate solution to homelessness.

This week, rather than answering our question about Housing First, the minister responsible for the Yukon Housing Corporation again recited the list of ongoing projects — none that help the homeless directly, because — as they like to tell us — they have the money. However, that spending isn’t addressing the obvious needs of those without shelter. Housing First is the most fiscally responsible approach to a tough societal problem.

Can the minister responsible explain the government’s resistance to the Housing First approach — the proven, most fiscally responsible approach to housing those struggling with homelessness?

**Hon. Mr. Cathers:** What I would note — I know the member is referring to a specific model that has been adopted and tried in several jurisdictions. It does not have as long a track record as she suggests it does. But I would note that whether one adopts an official policy of that or not, the approach that we are taking with all of our stakeholders who are engaged in a housing action plan is focused on the needs of Yukoners for the various types of housing which have been identified in six basic streams: the need for emergency shelters; for transitional housing; for supportive housing; for social housing; for private market rental and for home ownership.

We have made significant investments in all areas of supported housing. We will continue to make those investments, and we appreciate the partnership and participation of all of the stakeholders who are working on the housing action plan to identify next steps and the next areas where investment and work are needed.

**Ms. White:** I hesitate to think that the APU and the emergency room are the place for these people to go. More positive evidence about the Housing First approach was in the news again this week. A new four-year study has found that a Housing First approach to people who are mentally ill and homeless is effective and saves taxpayers money. Researchers found that, for every \$10 spent on a Housing First approach, taxpayers saved \$21 on other services.

Why is this government against saving taxpayers money? We know they have the money, but there is no reason for them to be wasting it. Housing First is about setting people up for success. Once they are securely housed, people are better

able to address other issues, like healthy living and participating more fully in our communities.

Does the Yukon Party government believe that people who are homeless must first be healthy and earn an income before they are deserving of shelter?

**Hon. Mr. Cathers:** As the member should know by now, in fact, there have been significant investments, not only through the Yukon Housing Corporation, but through the Minister of Health and Social Services and his staff, in models including supportive living — the Options for Independence home that we just opened. The work that is done by groups — including Fetal Alcohol Syndrome Society Yukon, funded by the Department of Health and Social Services — is important to note. The investments we've made in other areas, including emergency shelters and funding for Yukon's women's shelters, as well as the second-stage housing through projects like Betty's Haven — all of these areas are areas where we've made significant investment.

We recognize the need to continue to work with all our stakeholders and identify needs and what action should be taken. That is a big part of why we have commenced the housing action plan process, which has key stakeholders at the table providing advice to us on what areas, what investments and what steps are necessary to continue to meet the needs of Yukon citizens across the entire spectrum.

**Ms. White:** Those are all good investments, but what happens to those Yukoners who fall through the cracks and don't qualify for those programs? We have pointed out to the government that even counterparts, the Harper Conservatives, are buying into the Housing First approach. Groups currently accessing funding through the federal government's Homelessness Partnering Strategy will have to put 65 percent toward programming with a Housing First approach. It seems like everyone except for the Yukon Party government believes in the value of saving on emergency, health and justice services. Will this government finally make the fiscally responsible and compassionate decision of adopting a Housing First approach?

**Hon. Mr. Graham:** Once again, the Opposition — though inadvertent, I hope — miscommunicated a number of things. First of all, when we talk about saving money — which is not our primary concern but is a concern — the study talked about only a very small group where the saving was approximately double. I believe \$2.17 for every dollar was the number quoted — a very small group with severe mental disabilities. The other savings were nowhere near as great. In fact, in many cases, it was actually more costly to go with a Housing First initiative. I realize the Leader of the Official Opposition is all-knowing on this topic and wishes to pontificate further. I would advise her or request that she do it at a different time.

The member opposite is correct that Housing First does save money for a small group of people, which is one of the reasons that we're working with the Second Opinion Society and Yukon Housing Corporation, as well as the social assistance agency here, to promote a facility for those people

specifically named in this report, as those people who have severe mental disabilities.

**Speaker:** The time for Question Period has now elapsed. We will now proceed to Orders of the Day.

## ORDERS OF THE DAY

### GOVERNMENT BILLS

#### **Bill No. 70: Act to Amend the Public Utilities Act — Second Reading**

**Clerk:** Second reading, Bill No. 70, standing in the name of the Hon. Mr. Kent.

**Hon. Mr. Kent:** I move that Bill No. 70, entitled *Act to Amend the Public Utilities Act* be now read a second time.

**Speaker:** It has been moved by the Minister responsible for the Yukon Development Corporation and the Yukon Energy Corporation that Bill No. 70, entitled *Act to Amend the Public Utilities Act*, be now read a second time.

**Hon. Mr. Kent:** It is a pleasure to rise to speak at second reading for the amendments to the *Public Utilities Act*. I should thank also the Minister of Justice. This act is the responsibility of the Justice department, but the amendments that we're doing are focused on allowing for independent power producers and the microgeneration program to be more effective. That is why I, as Minister of Energy, Mines and Resources as well as minister responsible for the Yukon Development Corporation and the Yukon Energy Corporation, am bringing this bill forward.

When it comes to addressing Yukon's energy challenges, there are a number of things that this government is focused on. The electrical demand is growing beyond the capacity of Yukon's renewable electricity supply. We are taking a number of steps to address this growing challenge facing energy generation in the territory.

We are working closely with Yukon Energy Corporation to promote energy-efficiency programs, investigating a number of new and renewable and clean energy technologies as well as exploring potential grid connections with British Columbia and Alaska.

Members will know that yesterday there was a contract awarded to investigate the economic corridor for energy transmission and telecommunications between Yukon and Southeast Alaska. We are looking forward to that work being carried out, giving us an idea on how we can lead to potential grid interties between Yukon and Alaska.

We also want to ensure that we have affordable and flexible electricity systems that match the seasonal and economic variations. That is going to require a mix of several supply and demand options. Our government is focused on renewable energy. I have said that a number of times — addressed that in Question Period — and, more importantly, addressed that in a government motion that I put on the floor of the House last fall.

We really want to focus on a clean-power future for the territory. We are fortunate that investments made in the 1950s, 1960s, 1970s, 1980s and even in the last 10 years have



allowed us to have about 95 percent of the electricity that we use in this territory generated by renewable sources. Of course, hydro is the main one, with a small wind project that is currently feeding into the grid as well.

With that focus on a clean power future, there are also a number of programs that are offered through the Energy Solutions Centre and the Yukon Housing Corporation that help reduce energy use by improving energy efficiency.

These programs target buildings, appliances, training for industry and public education and outreach. The microgeneration program that we announced initially in October 2013 will allow Yukon residents to offset their electrical consumption by connecting renewable energy technologies to their homes or businesses while remaining connected to Yukon's electrical distribution system and to sell any excess energy produced by the renewable energy systems to the grid. The microgeneration program is applicable to renewable technologies only. This could include, among other things, wind power, microhydro, biomass and solar systems and it's expected that the first systems will be able to connect to the grid in the summer of 2014.

As I mentioned yesterday on the floor of the House during Question Period, I believe the Member for Mayo-Tatchun is actually one of the applicants and I congratulate him for being an applicant to this program. I hope that things work out for him and that it proves to be very successful for him as well as the other applicants that are currently in the queue.

I should also take the opportunity to thank officials from Energy, Mines and Resources and Justice for the briefing that they provided to the Opposition yesterday morning on this act. I did get a summary of some of the questions that were asked and hopefully, if the members opposite want to put those on the record again, or have other questions with respect to the changes to this act, we can address that during Committee of the Whole later on today.

The *Public Utilities Act* establishes the Yukon Utilities Board as a mechanism to regulate activities of all entities defined as public utilities under the act. The definition of a public utility within the act is quite broad. However, exemptions to the definition have been included so as to allow for forms of non-utility generators — commonly known as independent power producers, or IPPs, and/or microgenerators, which I spoke of earlier — to produce power in the territory without being defined as a public utility through the Yukon Utilities Board.

The reason for the amendment we have before us to this act is that it has been determined, through a Department of Justice review, that exemptions to the definition of a public utility within the act were intended to allow for IPP and microgenerators to be excluded from the definition. However, from a legal standpoint, these exemptions were unclear and inconsistent.

The recommendation from Justice officials has been that the definition of a public utility within the act should be revised to add clarity and consistency. The proposed amendments — the proposed revision — allow for the

required legal clarity, as well as incorporating the ability to develop a regulation under the act, through which IPPs can be regulated alongside public utilities.

IPPs and microgeneration projects will be considered and provided for as prescribed undertakings in regulation, rather than being exemptions to the definition. This approach provides the flexibility to respond to changes in electrical technologies and/or government policy by revising a regulation rather than amending an act.

Through regulation, IPPs will be able to sell electricity only to an established public utility through a power purchase agreement that has been reviewed and approved by the *Public Utilities Act* or, in this case, normally the Yukon Utilities Board. This approach will ensure that all costs associated with these agreements are in the best interest of the ratepayer, as determined by the YUB.

The Yukon government, as I mentioned, is currently implementing its microgeneration policy and program and is in the process of finalizing a draft IPP policy for consultation this year.

By developing an independent power producers policy, Yukon government will enable private citizens, First Nations, communities, municipalities and businesses to generate electricity and sell it to a public utility through a process that includes consistent and appropriate regulatory oversight by government.

This approach will give our utilities a greater diversity of clean electrical generation options to help meet the territory's growing demand for electricity.

With that, I will conclude my remarks at second reading. I look forward to hearing from other members on this bill and getting into Committee of the Whole and clause-by-clause debate on the amendments to this act.

**Mr. Tredger:** I thank the minister for bringing forward Bill No. 70, *Act to Amend the Public Utilities Act*, and I thank all those officials who worked on it.

I do have some concerns. I appreciate the intention of the bill, but I'm concerned about what it does not say — the powers it gives in some ways — and I will be raising some of these issues. So while I appreciate the intent of the bill as stated by the minister, I'm concerned about some of the ramifications of it.

I noticed that the bill exempts microgeneration from having to become a public utility. That's a good step, and I can comment on that because the policy is out. We have it. It emphasizes renewable energy. It has clearly defined size and amount of energy it can produce. The costs and the intentions of the microgeneration policy are clear. However, the same cannot be said for the independent power production policy.

In December 2001, in one of his first speeches, the minister said an independent power production policy would be developed. It took a long time to come up with the microgeneration policy. I know the public discussions were done four years ago. Since then, we've had a lot more understanding of independent power production and the

Yukon public has become much more interested in power generation.

Given the controversial introduction or implementation of independent power production policies in British Columbia and Ontario, there are many lessons to be learned. It is important that we go slowly and that we involve the government in that before we begin to implement a power generation policy.

In this case, the intention of the government is not clear. In some areas it seems to take decisions away from the Yukon Utilities Board and does away with some checks and balances. This amendment does not serve the public development of a long-term strategy for Yukon future power needs. In fact, it appears to weaken the public voice.

What effect will these changes have on public oversight and the oversight for our public utilities' generations for the Yukon Utilities Board and for YESAA? What opportunities for future generation projects will be affected for public input? The government says that the amendment is about clarity. Actually, it appears to open a door for utility generation options to be determined by politicians rather than independent boards with public input.

The government needs to explain what can qualify as an "excluded undertaking." Far from creating clarity, until "excluded undertaking" is defined, this amendment creates uncertainty for Yukoners. Excluded undertakings might be large-scale power projects. Are they excluded from public oversight? Are they excluded from any measurement of cumulative impacts?

Are we going to, through political decision-making, enter into long-term agreements and contracts that set a course for the future of the Yukon without public input and public scrutiny?

It appears to give more powers to the Executive Council and thereby removing oversight from the Yukon Utilities Board. The Yukon Utilities Board is a quasi-judicial board. It has an independent complaint process. It has checks and balances. I have heard concerns expressed that orders-in-council enabled by this legislation may be a form of deregulation of our utilities by such orders-in-council, by directives to the Yukon Energy Corporation and to the Yukon Utilities Board, creating exemptions.

Energy production requires a long-term strategy. Does this government accomplish that by taking decision-making away from an independent body created for that purpose? As I mentioned, the Yukon Utilities Board is an independent and public body. What does this do to the checks and balances in the system? Remember, this is a public utility. Where is the public voice and who will speak to public impacts?

As I mentioned, at this time independent power producers' production policies are not available. The NDP will be paying close attention to the development of the comprehensive independent power producers policy.

I am asking the minister now: Will there be public review and input? Will there be a definition of what larger-scale production is? Will there be an emphasis on renewable sources? What is the government's intention?

Does this amendment contemplate giving long-term contracts, power purchase agreements, subject to YUB approval or to the Executive Council? Will these amendments to the act open the door to increased production of non-renewable electrical generation?

We know that the true solution to climate change is still not on this government's agenda. Is the government opening the door to increased independent electrical generation? I see no reference in this to encouraging renewable energy sources. The microgeneration policy was very clear in that. Will the government, and how will the government, encourage the development of renewable energy by independent producers? Will there be incentives or subsidies for green energy? We don't know.

I look forward to fuller explanations of these questions in Committee of the Whole, but I do know that independent power generation will impact the Yukon. Cumulative impacts of power generation should be measured. We want to see a commitment to measure these for all territorial projects.

What does this mean for First Nation and municipal governments looking to create revenue-generating opportunities? Will the minister outline the contemplated process, steps, checks and balances, and opportunity for public input? I know First Nations and municipalities are interested. How does this change affect that? Will the independent power producers policy be for all sources of energy, including LNG?

This amendment appears to give the Commissioner in Executive Council Office a huge amount of discretionary power. Discretionary power does not provide clarity. The Commissioner in Executive Council Office can exclude undertakings from the provisions of the act and, further, can prescribe conditions on those excluded undertakings. What will govern the decision-making of the Commissioner in the Executive Council? Will there be any transparency or public oversight at all, or are these decisions to be made behind closed doors? If a power-generating undertaking has long-term impacts on Yukon, what oversight remains for those impacts? Where is the public's voice regarding those impacts? How are community impacts going to be determined and measured?

Yukon citizens today are extremely engaged in decisions about how we meet our power needs, both today and tomorrow. They have brought forward intelligent and insightful contributions to what is today, and should remain in the future, a public debate.

A week ago Monday, Yukon citizens spoke directly to the Yukon Utilities Board about Yukon Energy Corporation's proposal to switch from diesel to LNG generators for our backup power needs. What impact will the amendment to this act have on the public's ability to participate in important decision-making regarding power generation projects in the Yukon? Substantive issues like setting the jurisdiction of governing boards should be defined in legislation, leaving it to ministerial discretion does not provide clarity.

The Yukon Party has been known to engage in backroom deals regarding public utilities in the past. It may appear to

have the same intentions for independent power generation projects.

Will the minister, before bringing an IPP policy forward, assure us that the public will be given a fulsome opportunity to discuss and debate the issue?

I look forward to discussions in Committee of the Whole. I appreciate the efforts that have been made. I have, as I mentioned, many questions.

I would like to remind everybody that electrical generation and power generation is key to the future of the Yukon. How we go about getting our power, where we get our power, and what we do with our power is going to challenge us, legislators of the future and citizens, for generations to come. We need to carefully consider options and ensure that the options aren't determined by a small group of people but, rather, by Yukoners as a whole.

**Hon. Mr. Dixon:** It's a pleasure to rise and speak in support of the second reading of this bill — Bill No. 70, the *Act to Amend the Public Utilities Act*. I would like to start off by thanking the Minister of Energy, Mines and Resources for tabling it and bringing it to the floor of this House and I would also like to thank his department as well as the Department of Justice and the Minister of Justice for their work in helping prepare it as well.

As has been indicated previously by my colleagues, this is an important step forward in the development of Yukon's energy infrastructure and energy policy framework. Although it seems like a small step forward, it is an important one and it is one part of our overarching energy strategy that we've been moving forward with.

As the Minister of Energy, Mines and Resources indicated previously, he had the opportunity to table a motion last year that outlined the Yukon government's vision for a clean power future. That included steps in the short-, medium- and long-term that would secure Yukon's future when it comes to the development of clean energy. In the long-term, we've discussed at length and numerous times the need and the interest of the Yukon government in developing a large-scale hydro project in the territory. That's something that I think is an excellent step forward and I'm very proud to be part of a government that is taking those steps to advance a project of that nature. I agree that a project of that type will be of great importance, not only to Yukon but to the entire country, for a number of reasons. Of course, the economic opportunities that will come from it are obvious. The need for sustainable, reliable and affordable power is key to economic development in a territory like Yukon with an economy that has a significant component that is based on natural resource development.

But it is also important that we develop the supply of energy in a manner that is sustainable and reflects the need to — in a general sense — move away from the fossil fuel industry and the fossil fuels that have fuelled so much of our economic development over the past 100 years. I think that Yukon's greatest opportunity to do that is the development of

a new hydro project, given the fact that we have such incredible and abundant hydro resources here in the territory.

In the near term, of course, we have suggested that there are a number of opportunities for projects to advance, including some of those done under the aegis of the memorandum of understanding that the Minister of Energy, Mines and Resources and I signed with Commissioner Susan Bell of the State of the Alaska last year. That MOU suggested that we should review the economic corridor between Whitehorse and Skagway in a strategic manner and consider a number of projects in that corridor.

One of those projects is the potential development of a transmission and generation line between Whitehorse and Skagway. The marquee project, or the one most talked about at least, is the large hydro project at Dyea near Skagway. But I think it is important to note that if the infrastructure is in place and if there is a transmission line along that corridor, there is incredible opportunity for additional projects to come on-line.

I am speaking about a number of smaller scale hydro projects that could be added to Yukon's supply when it comes to hydro power in the territory. I know, for instance, that the provision of hydroelectricity at the Fraser border camp is currently done by a small-scale hydro project. It is my understanding that it could be easily expanded, should there be an electrical transmission line coming through near that project.

That would mean that a project like that could be increased to sell power back to the grid, which of course ties in directly with what we're discussing today in the development of this piece of legislation.

While that's just one example, I know that there are many others throughout that economic corridor of sometimes alpine lakes with a significant drop that have the possibility of providing significant but, in most cases, small amounts of electricity to our grid, should it be there. Steps like that to expand our grid and reach out to other jurisdictions like Alaska to create partnerships and opportunities for collaboration are very important and are just one aspect of the near-term projects that we have identified.

In the more immediate term, the creation of a microgeneration policy and the development of an independent power producers policy are excellent steps forward. The microgeneration policy is underway and I know a number of individuals throughout the territory who have applied or are in the process of applying. Those projects tend to range from small-scale solar projects that are of a more household nature to small, run-of-the-river hydro projects that are available when an individual has access to running water like a river system. Those projects, while small, are important and they provide the opportunity for individuals to have a greater control over the amount of energy that they consume and the source of energy that they consume it from.

This particular bill, the *Act to Amend the Public Utilities Act*, will, as indicated by the minister, provide the opportunity for the development of regulations for an independent power producers policy, which would contemplate larger-scale — larger than the microgeneration policy allows — energy

projects to advance forward and potentially sell power to the public utilities that currently exist.

As we all know, the two public utilities in the Yukon — Yukon Energy Corporation and Yukon Electrical Company Ltd. — are the two most likely to be involved in projects like that on the receiving end, at least. We know that any range of possibilities exist for the creation of an independent power producer. It could be individual small companies or it could be other economic projects that are going forward and have the potential of energy as a by-product. Forestry comes to mind. That's certainly the case in British Columbia, where a number of sawmills and other forestry-related projects burn their excess wood waste — typically sawdust or, if it's pelletized, they burn it in that form — and sell electricity back to the grid.

There's the opportunity for larger economic projects, for instance a mine, to build additional capacity where they're providing it for their own operations and then potentially sell it back to the grid, should the regulations allow for that particular type of development to occur.

It's important that we acknowledge that both the microgeneration policy and the future independent power producers policy are important components of an overarching energy strategy that will allow for an increase of renewable energy feeding into the territory's systems. These are seemingly small steps, but very important ones toward an overarching vision of a clean power future for the Yukon.

I would like to commend again, in closing, the Minister of Energy, Mines and Resources for bringing it forward as a component of this government's vision for a clean power future in the territory and thank his officials in advance for their work today in Committee of the Whole and previously in preparation of this bill. I would commend this bill to the House.

**Mr. Silver:** I am pleased to stand and speak in second reading for Bill No. 70, *Act to Amend the Public Utilities Act*.

I wanted to point out some interesting observations that I had in reviewing this act.

Over and above the identification and clarification of a public utility, the act does give the minister many additional powers, and it's worth noting them here for the record today: (1) to set the remuneration of the members of the board and their expenses; (2) to set the fees for copies under section 13(3) of the act; (3) to set requirements for part 3 applications, through which Yukon Energy Corporation's LNG project has just gone; (4) to set the jurisdiction and the procedures of the board; (5) to provide definitions not already provided; and (6) as well, the minister will be given the power to delegate to a person the power of discretion on any matter. It's quite a strong power for one person to have.

There are a number of questions that do arise from the introduction of this bill, and I do look forward to discussing them further with the minister and his team during Committee of the Whole debate.

**Hon. Mr. Cathers:** I am rising briefly to speak to the bill. I would just like to first of all thank the Minister of Energy, Mines and Resources and staff of the Department of Energy, Mines and Resources for all the work put into this legislation as well as the microgeneration policy that it is aimed to reinforce. I would like to also thank the Department of Justice staff for their work in putting this legislation together.

In looking at the legislation and hearing some of the comments from members opposite during this, I, quite frankly, was wondering if they were looking at the same piece of legislation or whether they were just misunderstanding specific parts.

What I would like to particularly point to is the reference that the NDP critic made. He seemed to be under the misunderstanding that individual microgeneration projects — he seemed to be thinking they would be going to the Commissioner in Executive Council or Cabinet, as that legalistic term refers to. In fact, what the legislation is intended to provide for is to set out the framework in legislation so that individuals clearly do not have to go for the small micro projects and go through the Yukon Utilities Board process, which is both time consuming and expensive. It will set out the basic framework and template for the small projects to hook up, and people in accordance with the policy, which has already been published, and the regulation, which will support it, will simply then be able to deal with staff of the department, fill out the application forms and deal with the utility — in most cases with Yukon Electrical, but in some cases with Yukon Energy.

This is aimed at setting the standards. It is consistent with what the Yukon government officials have been saying through the energy strategy, through the consultation on the net metering policy, which evolved into the microgeneration policy — the difference between the two being that the net metering policy effectively allows for, with every kilowatt hour of energy produced, the home producer to get a credit of an equivalent amount taken off their bill.

The microgeneration policy gives an incentive to encourage small-scale production of renewable energy that would pay, primarily within the hydro grid system — the Whitehorse, Faro and Dawson-Mayo transmission line grid. People on that system would receive \$0.21 per kilowatt hour for energy sold to the grid, and those within communities currently serviced by diesel would receive \$0.30, providing an incentive to Yukon citizens. The reason those rates were picked in the policy is based on what the Yukon Utilities Board has approved as the rate they consider to be the avoided cost of producing energy with diesel.

I hope that has provided some clarity and clarified to members that, in fact, the intention of this legislation is — and the specific provisions that the member from Mayo-Tatchun expressed concern with — not going to involve the Cabinet making decisions on individual applications.

Those applications, in accordance with the policy and the regulations — if those people meet the requirements, they'll be able to simply fill out the application forms and have

officials and utilities staff deal with them and improve their interconnection to the system.

That specific section of the legislation is aimed at reducing the burden on those citizens that would occur if they had to go through the Yukon Utilities Board process, because it's both expensive and time-consuming. This is clear, this is consistent, and it recognizes the fact that the Yukon Utilities Board is primarily focused on dealing with larger projects that can have significant implications for citizens and ratepayers, not with the very small microprojects, which are envisioned through the microgeneration policy.

With that, I will conclude my remarks. I would like to commend this legislation to the House and commend all who have been involved in developing it for their good work in laying out a policy that allows, encourages and provides the incentive to Yukoners who wish to produce renewable energy on a small scale, and be able to — in a simple and non-complex matter, as far as processes go in applying for permission to do so — hook up to the system, sell energy to the grid and be increasingly self-sufficient and increase the production of renewable energy in Yukon.

**Ms. White:** I'm just going to take a stab in the dark here. I think one of our big concerns is that we've been able to see the microgeneration policy, and we can see what it means and we can see that it's for small energy producers.

What we haven't seen is the independent power producers policy. We don't know what this is going to have, we don't know what scale — we know microgeneration is talking about renewable; we know it's talking about green energy — but we still have this big “what if” with the independent power producers policy.

It bears mentioning that in the Premier's Speech from the Throne on our very first day in this House on December 1, he viewed the independent power producers policy as so important that he mentioned it in his vision for the energy future. One of the concerns is that we have this act coming forward to amend the *Public Utilities Act* and we keep making references to the independent power producers policy, but we haven't seen that yet. There haven't been discussions; there haven't been round tables; there haven't been open houses. We haven't taken this out to communities and no one has had an opportunity to figure out what that means.

There is a concern with an independent power producer — we have Casino mine that says they are going to put in an LNG energy plant. It makes sense for them, but if it is so big and they make extra energy, will that be sold back to the grid? Does that mean then that we have people who will be able to come on with a fossil fuel-like energy production as opposed to just the renewable, which is under the microgeneration?

These are questions that I look forward to having explained. There are just a lot of “what ifs” in this right now because we don't have that policy in front of us. So, I think those are legitimate concerns and they are not just our concerns. We have had quite a few e-mails from the people who I consider to be energy experts in the territory asking what about this and what about that?

I look forward to Committee of the Whole and having the officials in the House to be able to help answer those questions.

**Speaker:** If the member now speaks, he will close debate. Does any other member wish to be heard?

**Hon. Mr. Kent:** I thank the members for their comments at second reading on the amendments to the *Public Utilities Act* that are currently before the House.

In my opening remarks, I did walk through a number of things and I won't restate them here, other than a few just to respond to specific questions from the members opposite.

The proposed revision allows for the required legal clarity as well as incorporating the ability to develop a regulation under the act through which IPPs can be regulated alongside public utilities.

Independent power and microgeneration projects will be considered and provided for as prescribed undertakings in regulation rather than being exemptions to the definition. This approach provides the flexibility to respond to changes in electrical technologies and/or government policy by revising a regulation rather than amending an act. Through regulation, IPPs will be able to sell electricity only to an established public utility through a power purchase agreement that has been reviewed and approved by the *Public Utilities Act*. As I mentioned, the *Public Utilities Act* establishes the Yukon Utilities Board as a mechanism to regulate activities of all entities defined as public utilities under the act.

This approach will ensure that all costs associated with these agreements are in the best interests of the ratepayer as determined by the *Public Utilities Act*. As mentioned, the microgeneration policy and program has gone through the Cabinet process and has been ratified, I guess, by Cabinet. We are underway with the microgeneration program. We are in the process of finalizing a draft IPP policy for consultation this year. I think that's important. I did mention that in my opening remarks, but I know that members opposite want to ensure there's an opportunity for public input into that policy, and that is what we intend to do. We want to hear from the public.

This policy will enable private citizens, First Nations, communities, municipalities and businesses to generate electricity and sell it to a public utility through a process that includes consistent, appropriate regulatory oversight by government. This approach will give our public utilities a greater diversity of clean electrical generation options to help meet the territory's growing demand for electricity.

I don't have the IPP policy ready for public input and consultation, but that's certainly my intention — to have that ready and done this year — so there will be opportunities for members of the public and Opposition parties, as well as anyone interested in that policy development to provide input, as we're out speaking to Yukoners about it.

Again, I thank members for their comments at second reading. I know there were some specific questions with respect to the regulations and other aspects of the bill that we

can get into in Committee of the Whole, when we go through the clause-by-clause aspects of this bill. So again, a big thank you to the Minister of Justice, officials in the Department of Justice, as well as officials in Energy, Mines and Resources, who helped to bring this bill to the floor of the House. I look forward to engaging in debate when we get into Committee of the Whole.

*Motion for second reading of Bill No. 70 agreed to*

**Bill No. 68: Act to Amend the Employment Standards Act — Second Reading**

**Clerk:** Second reading, Bill No. 68, standing in the name of the Hon. Mr. Cathers.

**Hon. Mr. Cathers:** Mr. Speaker, I move that Bill No. 68, entitled *Act to Amend the Employment Standards Act*, be now read a second time.

**Speaker:** It has been moved by the Minister of Community Services that Bill No. 68, entitled *Act to Amend the Employment Standards Act*, be now read a second time.

**Hon. Mr. Cathers:** I am pleased to bring forward this rather simple amendment to the *Employment Standards Act*. This revision in Bill No. 68 proposes an amendment to the *Employment Standards Act* that deals with the provisions around the leave for employees for a critically ill child when their child — as the result of a crime — died or disappeared.

The amendments also reduce the time an employee must have worked for their employer to qualify for these kinds of leaves from 12 months to six months; increase the maximum leave period where a child has died from 35 weeks to 104 weeks; and increase the maximum leave period where a child has disappeared from 35 weeks to 52 weeks.

The changes outlined here are an additional change to legislation that was changed last year, which came forward as a result of a motion from members of the Opposition who proposed additional consideration of these areas, and which we agreed to. We're pleased to see another example of cooperation in the Legislative Assembly.

Based on the results of what we heard during the public consultation, I am pleased to bring forward these amendments here today.

**Ms. Stick:** I stand on behalf of the NDP Official Opposition and I am pleased to see these amendments, because they are, word for word, what we talked about last year and debated. We had proposed these amendments then. It's too bad they weren't passed then. They were simple and all they did was bring it into line with what the federal regulations were, primarily focused on parents and their ability to take leave without pay from employers. It's good to see that these amendments have been brought forward. It's too bad it couldn't have happened a year ago. We're glad to see it here today.

There is some impact, people would argue, with employers on how long an employee can take a leave of absence without pay, but primarily the impact of this legislation is on those parents — parents of a child who is

critically ill, or ill as a result of a crime, or have died as a result of a crime.

We're pleased to see these. It's good that they've come forward a year later. It's too bad it didn't happen then. The only other point — no, I'll leave it at that. We're pleased to see this and we'll support these amendments.

**Mr. Silver:** I'm happy to rise today and speak to the *Act to Amend the Employment Standards Act*. I would like to start by thanking the MLA for Riverdale South for putting these amendments forward a year ago. The government should be commended for changing its mind on its initial position and is doing what's right for Yukon families. I will be supporting this bill and I look forward to further discussion in Committee of the Whole.

**Speaker:** If the member now speaks, he will close debate. Does any other member wish to be heard?

**Hon. Mr. Cathers:** I would like to thank the members of the Liberals and NDP for their support of this. One thing I would just like to note in clarification is that legislation brought forward by my predecessor as Minister of Community Services last year — in fact Yukon was one of the first jurisdictions to begin moving forward with changes to address these leave provisions for parents of children who are missing or murdered. In this case, one of the things that was brought forward by the Member for Riverdale South, which we thank her for, were changes that other jurisdictions had made since we began that policy development — had made some different changes that are similar to what are seen here today.

We would like to thank everyone who participated in the public consultation of these additional changes for providing us with their thoughts and their viewpoint. The changes that are proposed here today are public support for moving forward on these changes based on what we heard in that consultation.

*Motion for second reading of Bill No. 68 agreed to*

**Hon. Mr. Cathers:** Mr. Speaker, I move that the Speaker do now leave the Chair and that the House resolve into Committee of the Whole.

**Speaker:** It has been moved by the Government House Leader that the Speaker do now leave the Chair and that the House resolve into Committee of the Whole.

*Motion agreed to*

*Speaker leaves the Chair*

**COMMITTEE OF THE WHOLE**

**Chair (Ms. McLeod):** Order. Committee of the Whole will now come to order.

The matter before the Committee is Bill No. 70, entitled *Act to Amend the Public Utilities Act*. Do members wish to take a brief recess?

**All Hon. Members:** Agreed.

**Chair:** Committee of the Whole will recess for 15 minutes.

*Recess*

**Chair:** Committee of the Whole will now come to order.

**Bill No. 70: *Act to Amend the Public Utilities Act***

**Chair:** The matter before the Committee is Bill No. 70, entitled *Act to Amend the Public Utilities Act*.

**Hon. Mr. Kent:** I would just like to start off by welcoming two officials who are here to provide assistance — Lawrence Purdy from the Department of Justice and Shane Andre from the Department of Energy, Mines and Resources, the Energy Solutions Centre. They are here to provide assistance as we move through Committee of the Whole debate on the *Act to Amend the Public Utilities Act*.

Seeing as we did second reading on the same day, I won't go through similar remarks as I made at second reading. I will turn the floor over to members opposite to begin asking questions.

**Mr. Tredger:** One of my concerns is that this appears to be rushing through. We had our briefing yesterday. We had second reading an hour ago. Now we're trying to make a decision. That leaves us little time for research, for study and for a fulsome examination of this.

I would request that, in the future, the government give us a bit more time to look and study the bills. It puts us at a disadvantage. It's particularly concerning when we're talking about the future of energy use in Yukon. These are fairly significant changes, despite what is being said.

How we go about producing energy in the future is critical to Yukon's future. I think there are some good things about this bill and things that I can support. However, it is very difficult to make a decision when we don't have all of the information. I will ask some questions. I hope that I get some clarity.

I remain very concerned about how this enables the independent power production policy. We don't have that in our hands. It has been a minefield, and governments in the south and across the world have made huge mistakes and their population is paying for it. Now we're debating a bill that enables independent power production on very short notice and without a lot of clarity. As I said earlier, the microgeneration policy is out. I was able to examine it. I was able to compare it and realize what could be done.

With the independent power production policy, I haven't got that and yet I'm being asked to make a decision. I have a series of questions I am going to ask. I hope I can get some clarity, but I also hope that I'm not missing a critical point. It is important that we hear, in a fulsome way, this discussion.

How will the changes enable an independent power production policy?

**Hon. Mr. Kent:** When it comes to business of the House, obviously we as legislators conduct the public's business in a period prescribed over the year — 60 days.

House leaders will come to an agreement and the current agreement for this sitting is for a 30-day sitting.

Bill No. 70 was tabled on March 27. We are on day 11 of the 30 days, and I think it's important — not to be dismissive of the member's concerns, but we have to be ready to debate things. There has been a briefing on this. We have gone through second reading.

As I mentioned during the second reading speech, the definition of a public utility within the act is quite broad.

However, exemptions to the definition have been included so as to allow for forms of non-utility generators — commonly referred to as independent power producers, or IPPs — and/or the microgenerators to produce power in the territory without being defined as a public utility through the Yukon Utilities Board.

The reason we have brought forward this amendment is that the Department of Justice conducted a review — that exemptions to the definition of a public utility within the *Public Utilities Act* were intended to allow for IPPs and microgenerators to be excluded from the definition. However, from a legal standpoint, these exemptions were unclear and inconsistent.

The recommendation from the Department of Justice to us, as legislators, has been that the definition of a public utility within the act should be revised to add clarity and consistency. I guess, just to answer the member opposite's question, the ability for an IPP does exist within the act, but the Department of Justice felt that the definition needed to be revised to add clarity and consistency. That's why the proposed amendment that we have before the House here today is before the House.

As I mentioned earlier in second reading, in my concluding remarks, we know the microgeneration policy and program has been reviewed and is in effect. The independent power producers policy will be going out for consultation in 2014 for public input. So this shouldn't be confused — the IPP should not be confused with this. We do have the ability to have IPPs under the existing act. This is merely an opportunity, on the advice of Justice officials, to clean up the act and bring more clarity and consistency to what we are working with as far as IPPs.

**Mr. Tredger:** Can the minister explain why excluded undertakings are necessary? What undertakings does the government anticipate will be excluded?

**Hon. Mr. Kent:** For clarity, the excluded undertakings have been separated from the definition of a public utility, and now allow for additional excluded undertakings to be defined through regulation.

Perhaps what the member opposite is getting at are the prescribed undertakings. What this will allow us to do, as the IPP policy goes through proper consultation and public input, is to identify the prescribed undertakings that will be allowed. I guess this doesn't box us into a corner with respect to what prescribed undertakings will be allowed as the IPP policy receives the public scrutiny and consultation that we are planning for this year.

**Mr. Tredger:** So, will the prescribed undertakings then be in regulation? Will there be exceptions made to that?

We haven't seen the regulations — and I can understand why we would want regulations so that every producer does not have to go to either the Yukon Utilities Board or to Cabinet for a decision, but it's difficult to make a decision until we see what the regulations are.

I'll just ask a couple of questions of the minister. What sort of scale is the government contemplating for independent power producers?

**Hon. Mr. Kent:** As I mentioned, obviously we will be going out with the IPP policy for public consultation this year. The final product has not made its way through our process to the point that it can be shared with the public, but once it has reached that point, I have committed several times on the floor today that there will be public consultation on the IPP policy. Until that takes place, it is difficult for me to publicly state what scale the government is contemplating. We're anxious to hear from Yukoners. We will be providing a document that we can take out and consult on, but that's not ready for public review at this point. Again, as I have committed on a number of occasions today, that will be taken out for public scrutiny and review when it's ready for that stage.

**Mr. Tredger:** Madam Chair, I can appreciate the minister's difficulty. I'm having that same difficulty trying to make a decision on events that may or may not occur in the future.

Will the cumulative impacts of all power generation in the territory be measured, including both IPPs, microgeneration and YEC projects? How will that be done, and do changes to this act ensure that it will be done?

**Hon. Mr. Kent:** When it comes to cumulative effects and impacts, those types of impacts are measured and assessed through the YESAA process. This act doesn't contemplate cumulative impacts. What we have before us is an amendment to the *Public Utilities Act* to allow for the required legal clarity, as well as incorporating the ability to develop a regulation under the act through which IPPs can be regulated alongside public utilities.

Again, with all due respect, I believe the member opposite is perhaps jumping into the independent power producers policy and not focusing on what we have before us here, which is an opportunity that was brought to us, through the Department of Justice review, to provide clarity and consistency to the act. Again, from a legal standpoint, the exemptions that existed in the act were unclear and inconsistent, and that's what we're trying to take care of here today, through amendments to this act.

As I mentioned, the opportunity for microgeneration and independent power producers exists. We are merely cleaning it up on the advice of Justice officials. As mentioned, the IPP and the microgeneration policy are extremely important to this government.

The member opposite — I believe the Member for McIntyre-Takhini — referenced the Speech from the Throne in 2011, and we continue to try to move this as part of the 2009 energy strategy to allow Yukoners to participate as microgenerators or eventually as perhaps the larger scale independent power producers. That is what we are doing. This

is another step in that process. Again, as I mentioned, the IPP policy will be able to receive scrutiny from the public when it is ready for that later in 2014.

**Mr. Tredger:** Will the changes effected here apply to the IPP policy?

**Hon. Mr. Kent:** It will enable the IPP policy to be expressed in a regulation.

**Mr. Tredger:** Will these amendments and changes to the policy open the door to increased production of non-renewable energy electrical generation and will the power producers policy be for all sources of energy, including LNG?

One of the considerations that I have heard is that the longer we rely on fossil fuels, the harder it is going to be to get off of them.

My concern is that this opens the door for the use of fossil fuels to produce energy. I know that the Yukon Energy Corporation, the government across the way and all concerned Yukon citizens believe that renewable energy is critical and important to Yukon's energy future. However, my concern is that this opens the door to non-renewable energy production and could have a detrimental effect on our efforts to become more dependent on renewable energy.

**Hon. Mr. Kent:** What the changes to this act do — essentially in perhaps one sentence — is they define what is and isn't a public utility. The opportunity to have microgeneration and independent power production exists within the existing legislation. We're merely responding to advice from our officials in the Department of Justice to add clarity and consistency. I know we've spoken about this a number of times. Ninety-five percent of the electricity production in the territory comes from renewable sources. There was a 22-percent increase in renewable energy capacity on the electrical grid since 2009, which was the year that the *Energy Strategy* was initially introduced, primarily of course Mayo B and the third turbine at Aishihik.

When it comes to the mix of energy that we have in the territory, this bill has no effect on that mix of energy. That mix will be defined through what Yukon Energy has in its resource plan going forward and as they make recommendations to the YDC and eventually to Cabinet to determine what the best energy mix is.

Of course, with the IPP policy, there will be that public discussion that informs the public debate on what type of energy that we require in the short term and in the medium term. I think, really, when we talk about the legacy hydro project that has a number before this House in the budget that we're currently debating, we feel that will be that longer term anchor for adding to our renewable energy mix. But as far as the balance of the mix of energy goes, that will emerge as we talk about things with the public such as the IPP policy that I've committed to have public discussion on in 2014 and consultation with Yukoners, once the policy has reached that stage.

**Mr. Tredger:** Can the minister explain why the minister or the Cabinet has been given the power to designate excluded undertakings?



**Hon. Mr. Kent:** I thank the member opposite for the question. When Cabinet is able to designate what excluded undertakings are, that really gives us the flexibility to respond to what we hear coming out of the IPP policy review. It also gives us the opportunity to respond to — as I mentioned, I believe, during second reading — technological changes in the generation of electricity. We do have that flexibility to respond by giving Cabinet this designation, and existing exclusions that are in the act right now are far too prescriptive. We believe that this allows us to make changes through regulation and identify what the excluded undertakings would be. The act as it exists is far too prescriptive when it comes to those aspects.

**Mr. Tredger:** You talk about public utilities and the use of electricity as a public. Why would we give those powers to a Cabinet and political decision-making when we have the Yukon Utilities Board and we have boards that are set up to provide independent and public input?

I am very concerned about a political entity, a Cabinet of any stripe, making critical decisions for energy use and Yukoners. It is not a public process. There is no guarantee for public input into it, and politicians of all stripes have made mistakes in the past — let's leave it at that.

**Hon. Mr. Kent:** Public utilities are regulated through the *Public Utilities Act*, so that's where the Yukon Utilities Board has a role. But we wouldn't ask the Yukon Utilities Board to determine what is a public utility. That is a policy decision.

Through this, there are other opportunities. If the project is of a certain size or scope, there would be YESAA oversight through our environmental and socio-economic assessment regime. If it's an opportunity for an IPP to sell electricity to an established public utility, it would be done through a power purchase agreement that has been reviewed and approved by the *Public Utilities Act* or the Yukon Utilities Board.

So there are still those checks and balances in the public processes with respect to a project-by-project basis. I mentioned cumulative impacts in a previous answer and the YESAA role in assessing those cumulative impacts. Again, through the power purchase agreement, there would be that role for the Yukon Utilities Board through the *Public Utilities Act*, and any environmental and socio-economic concerns would still be addressed through the YESAA process and other public processes we have in place.

**Mr. Tredger:** The minister in his previous answer spoke of the mix of energy sources and that is critical — that's why my question is around the decision-making. What will govern the decision-making or control the decision-making of the Commissioner and Executive Council?

**Hon. Mr. Kent:** Can I ask the member opposite to repeat the question? I'm sorry.

**Mr. Tredger:** We are giving a number of powers to the Commissioner in Executive Council. What controls will be placed on that? What checks and balances?

**Hon. Mr. Kent:** When it comes to any type of regulation-making powers or powers that the Commissioner in Executive Council or Cabinet has, there is a process in place

with respect to government oversight. Often there is public consultation when it comes to Cabinet decisions. Those Cabinet decisions are made based on the best information that we have and through the hard work of a number of officials within specific departments and, of course, the oversight of Executive Council Office in providing advice to Cabinet. This decision, like any decision, is made based on the best information that we have. As elected — in party politics, there are specific platform commitments and other commitments that we've made to those who have elected us. We take that into consideration as well when making policy decisions.

I can assure all members that the Cabinet process we have in place is very well-defined and very well-thought-out. As Cabinet ministers, we make decisions based on the best information that we have and a good solid review of the programs or policies or regulations that we are bringing forward.

**Mr. Tredger:** I appreciate that. It is not one particular Cabinet or another particular Cabinet, it is a concern I have that these decisions are far too important to be left to our political people to make them. We have seen — with disastrous consequences — energy decisions made in the south. We need look no further than British Columbia, where they are shackled with huge contracts and agreements that people made in good faith.

What I am wondering is: How does this further the public involvement — the public debate — and the opportunity for fulsome debate? Will there be any transparency or public oversight at all of the decisions that are made in Cabinet, or any way that this act enhances the public's ability to help or have input into these decisions?

**Hon. Mr. Kent:** Perhaps for clarification, I'll make an assumption that the member opposite is talking about specific energy projects rather than utilities. Of course the utilities are the Yukon Energy Corporation and Yukon Electrical Company Ltd. as public utilities that we have with respect to electricity generation.

When it comes to specific energy projects, I guess a great example right now that we have before us is the LNG conversion — the backup conversion — at Whitehorse Rapids. That has gone through an extensive public process. It has gone through the YESAA process — I believe an executive committee screening under YESAA — and I believe it is still in that process. It hasn't been completed. It was designated by the Minister of Justice for a Yukon Utilities Board review that took place last week. Again, those types of public oversight opportunities still exist when it comes to specific energy projects, so I think that's what the member opposite is talking about — the energy projects — rather than the utilities themselves. There remain, as always, those types of public processes when it comes to energy projects that are being developed in the territory.

**Mr. Tredger:** I guess that's the crux of my concern. Last week, there was a public meeting — a Yukon Utilities Board meeting — where the public had an opportunity to comment on a project.

However, with my reading of this act — if it were another company coming in, this act excludes them from being considered a public utility; therefore, they would not be subject to the Yukon Utilities Board surveillance and it wouldn't have happened. I'm not sure whether I'm misunderstanding it or not, but can the minister assure me that if a private company were to take on a project like the LNG conversion to create power — if there were a proposal to do that — my reading of the act is that they would become an independent power producer if it were allowed under that policy; therefore they would not be subject to Yukon Utilities Board.

**Hon. Mr. Kent:** Speaking to the difference between utilities and energy projects, whether you're a utility or not, the project is still subject to scrutiny as I mentioned. If it is at a threshold that triggers an environmental socio-economic assessment, the YESAA process would kick in. As I mentioned earlier, through regulation, IPPs — the independent power producers — will be able to sell electricity only to an established public utility through a power purchase agreement and that power purchase agreement will have had to have been reviewed and approved by the *Public Utilities Act* or the Yukon Utilities Board.

Again, when it comes to energy projects, whether the public utility is undertaking it or a First Nation or a community, a municipality, a business or private citizens, they would still, in order to sell that product back — that electricity — to an established public utility, have to go through the Yukon Utilities Board process, through the power purchase agreement and, again, it has been reviewed and approved. There is no abdication of the scrutiny that a utility or an independent power producer would have to go through as the result of changes in this act.

**Mr. Tredger:** Can the minister describe in detail how a power purchase agreement would work, or will work; how it might interact with municipalities, First Nations or the private sector? What principles will govern the approach in negotiating power purchase agreements?

**Hon. Mr. Kent:** Those types of agreements are done on a case-by-case basis. They're negotiated by the utility and the individual, company, community or First Nation. As I mentioned, it would be reviewed by the Yukon Utilities Board and, one would assume, approved by the boards of the utilities as well, be it the Yukon Energy Corporation or Yukon Development Corporation, so they would make recommendations, as they did to government to proceed with the LNG project at Whitehorse Rapids, which has gone on to further scrutiny.

It is difficult to spell out what a power purchase agreement would look like in general terms. Rather it is something that would be negotiated on a case-by-case basis between the two parties: the public utility and the energy provider.

**Mr. Tredger:** I believe when I look at section (e), it says "prescribe requirements for applications under section 39 for energy project certificates or energy operation certificates ...". That gives the authority to Cabinet or the

minister to make the requirements. A project like the LNG proposal is exactly what is contemplated under section 39. Yet, this appears to give the Cabinet authority to set the requirements for applications, and I am concerned about that.

Could the minister assure me that the Cabinet cannot then prescribe these regulations, or what does that mean?

**Hon. Mr. Kent:** With respect to that particular part of the amendment of the act it is paragraphs (c) to (f). I will just read them quickly into the record:

"(c) provide for the remuneration of members of the board, or the reimbursement of their expenses;

(d) prescribe a fee for the provision under subsection 13(3) of a certified copy of the document;

(e) prescribe requirements for applications under section 39 for energy project certificates or energy operation certificates."

That's the one that the member is specifically referring to in his question — and, "(f) relate to the jurisdiction and procedures of the board ...". Again, those paragraphs (c) to (f) provide explicit authority for regulations that the act already contemplates. That authority is contemplated under the act and we wanted to make sure that we did provide explicit authority for the regulations for things that the act already contemplates.

**Mr. Tredger:** Does the Cabinet have the authority to prescribe regulations under this, or doesn't it?

**Hon. Mr. Kent:** This authority already exists, and what this does is make that authority explicit. As Justice advised us, the courts like to see that explicit opportunity and that's what this does. That authority already does exist for Cabinet to do that, but this makes that authority explicit.

**Mr. Tredger:** So if the Cabinet chose, they could change the requirements for applications on an independent power production facility?

**Hon. Mr. Kent:** When it comes to policies or regulations, we are, of course — with the independent power producers policy — going out for public discussion. But like any policy or regulation, as I mentioned before — through the best information presented at the time and a number of other factors, Cabinet has the authority to make those types of decisions.

**Mr. Tredger:** I guess my question would be: Why does the government need so much discretionary power?

**Hon. Mr. Kent:** When regulations are developed — whether it is this act or other acts — it is usually quite typical for us, through regulation, to allow the government to make changes — in this case, to respond to what we hear when the IPP policy is developed as far as the prescribed activities — and it gives us that flexibility if there are technological changes to electricity.

As I mentioned off the top, there is only so much time for us to conduct the public's business on the floor of this House and we want to make sure that we utilize that time to make legislative changes or discuss budgetary items that are of significance. What we locate under regulatory authority are the opportunities to make changes that we can without taking up the time of the Legislative Assembly, so that's why we

choose to include some things in regulations and other things are included in the act.

Again, this is typical of many of the pieces of legislation that we have that provide regulation-making authority to Cabinet.

**Mr. Tredger:** If I can go back to power purchase agreements, can the minister outline how consultation — or how these might work with municipalities, First Nations or with the private sector? What consultation process would we follow to develop that?

**Hon. Mr. Kent:** I guess, again, the process would be determined on a case-by-case basis, but the one aspect of it that I have mentioned is that it would be subject to a review and approval by the *Public Utilities Act* or the Yukon Utilities Board. I think that's the important piece that we have to consider here — that that Yukon Utilities Board process would be in place with respect to power purchase agreements and then any other permits or licences, whether it is something that has to go through the *Yukon Oil and Gas Act* or the YESAA process — there are any number of other processes that may be in effect, depending upon what the project is.

It would be hypothetical, I guess, to determine what a specific power purchase agreement would look like. It would depend on the circumstances that we have, depending on the size and the scale and the scope of a project. Again, as far as the public scrutiny of that goes, that's what it would be determined on. As I mentioned, the Yukon Utilities Board will have a role in reviewing and approving the power purchase agreements.

**Mr. Tredger:** I'm jumping around a little bit because I'm getting to the end of my notes. I ask the minister and his officials to bear with me.

The minister has the power to designate excluded undertakings, and I assume that is done to enable any enterprise from being unintentionally labeled as a public utility. It should not be. What does this mean for First Nations, municipal generating options, and private things? Will this have any effect on them and what effect?

**Hon. Mr. Kent:** Once those projects emerge and the IPP policy is set, it gives us the opportunity to respond as to whether or not those specific projects should be regulated as public utilities or excluded. That does give us the flexibility that we're seeking through these changes to ensure that we can respond to not only the wishes of Yukoners as we move through the IPPs, but individual energy projects as well that are brought forward by any host of individuals such as the ones the member opposite referenced — First Nations, municipalities, private citizens or businesses that wish to become IPPs.

**Mr. Tredger:** I have one more question and then I'll turn it over to the Member for Klondike.

My question relates to section 76(1)(f) and we referred to it a little bit earlier. It says, "relate to the jurisdiction and procedures of the board".

My concern here is that it gives authority to Cabinet to change the jurisdiction and procedures of the board. To me, the board should be quasi-judicial and independent. With

changing governments, the jurisdiction and procedures could change, and it depends which government is in power. Is that indeed what that means, or can the minister explain exactly what "relate to the jurisdiction and procedures of the board" means and the powers that it does give to Cabinet?

**Hon. Mr. Kent:** As I mentioned, that is one of the paragraphs that was captured in an earlier response. Paragraphs C to F provide explicit authority for regulations that the act already contemplates. That is something that is already contained in the act, and I know that one of the officials with me today is looking through the act for the specific reference to it. If the member opposite can bear with me, or if he wants to turn the floor over the member of the Third Party, I'll be able to answer that question shortly, before we leave general debate on this act.

**Mr. Silver:** Thank you to the officials today for their time and for the briefing as well.

I do echo the Member for Mayo-Tatchun's concerns about the lack of research time that we do receive on this one. I'm not a lawyer. I haven't played one on TV either.

There are many areas of this bill that remain unclear. The department's briefing was very informative, but upon opening that discussion to the people we know and our energy professionals, we do still have a host of other questions.

The new definition of public utility does follow the original definition quite closely, so I was wondering if the minister could reiterate at this time the intent of the definition change.

**Hon. Mr. Kent:** The definition of a public utility has essentially been simplified in the amendments to this act. Further to this, the activities that do not cause a person to be a public utility, including those that are defined through a regulation, are defined below as excluded undertakings. Those excluded undertakings mean prescribed undertakings or an undertaking that consists only of the generation and distribution by a person of electricity, as well as any number of aspects that are located within the act that is before us right now.

For clarity, those excluded undertakings have been separated from the definition of a public utility and now allow for additional excluded undertakings to be defined through regulation. That gives us the flexibility that we spoke about to respond to the things that we hear in the IPP — the types of projects, or any other technological advances that we may see in the electricity-generating industry in the years to come.

**Mr. Silver:** Once again, I do echo the concerns of the Member for Mayo-Tatchun — a limited access to this IPP policy. It's very, very limited.

The definitions also include the exclusion of the "delivery of gas otherwise than by a pipeline". The fear here is that this may enable any enterprise from being unintentionally captured as a public utility — that should not be. I'm still a little bit unclear here. Does this give the minister the power to designate excluded undertakings specifically?

**Hon. Mr. Kent:** The exclusion the member opposite is referring to is already in the definition. I believe he's talking about the petroleum industry. I think, even at the briefing

yesterday — and he can correct me if I'm wrong — one of his questions was: Why is the petroleum industry excluded? The answer that was provided by officials is that that exclusion is in the act now. The petroleum industry is not a monopoly and not subject to the Yukon Utilities Board, or the oversight that the Yukon Utilities Board would provide. I'm assuming that's a similar question to the one the member asked at the briefing.

Again, with respect to the independent power producers policy, as I mentioned, that document will be going out for public consultation this year. We're not at that point yet, so while I understand that the members opposite are concerned about that, they will have an opportunity to voice their concerns and opinions with respect to the IPP policy, just like any other Yukoner will, when that is available for public comment later this year.

**Mr. Silver:** I do appreciate the clarification. It's one thing to speak about that during the department briefings, but we do want to have this out on Hansard as well.

Speaking to that fact, I spoke with the minister earlier about this question, but we may as well also put it up on Hansard. The act will give the minister the power to delegate to a person the power of discretion on any matter.

What is the intent of this power and who will the minister be delegating this power to?

**Hon. Mr. Kent:** The regulation that will allow us to do that, I guess really speaks to — the member knows where it is in the legislation, so again, section 76 has been replaced with the following — this part here is a regulation under subsection — I'm just going to read it into the record for Hansard: "(a) incorporate by reference, in whole or in part or with modifications, any written standard, protocol, rule, guideline, code or other document, either as it reads on a date specified in the regulation or as it is amended from time to time; or (b) ..." — which is the one the member spoke to — "... delegate any matter to, or confer a discretion in respect of any matter on, a person."

What I understand from Department of Justice officials is that this has really become a standard aspect that is included in regulation. Really it comes down to how the courts in the past have balked at this type of designation, so they've asked that it be specifically included in the regulations. It gives specific authority so that we can point to that if challenged in the court.

**Mr. Silver:** Thank you to the minister for the clarification. Another clarification question: Microgeneration customers are not an excluded undertaking under section 2(b). Are these power customers defined as public utilities?

**Hon. Mr. Kent:** I guess that is sort of the crux of what we are getting at. In order to ensure that IPPs and microgenerators or other projects are not classified as public utilities — that is why the definition has been simplified and these excluded undertakings, such as the ones we are talking about, have now been separated from the definition of a public utility. It now allows for additional excluded undertakings to be defined through regulation rather than being very prescriptive in the act.

**Mr. Silver:** Final question — by the same definition, independent power producers selling to the utility also appear to be defined as public utilities. Can the minister confirm that independent power producers will be defined as public utilities?

**Hon. Mr. Kent:** What we are doing through these changes is ensuring that the regulation makes IPPs not public utilities. Of course, they may enter into those power purchase agreements with an established public utility, but we are, through regulation, ensuring that they won't be considered a public utility.

**Ms. White:** I'm going to focus on the term "public utility" for a while as well.

Under the definition right now as it's going forward, it says "'public utility' means a person who, otherwise than in an excluded undertaking,"

"(a) in the Yukon, for consideration, produces, generates, stores, transmits, sells, delivers or furnishes electricity or gas, or

"(b) owns equipment or facilities that are used to do anything described in paragraph (a); « *entreprise de service public* » ou « *entreprise* »".

Right now with this definition, can the minister please give me an example of what is a public utility in the Yukon?

**Hon. Mr. Kent:** Two great examples of course are the Yukon Energy Corporation and the Yukon Electrical Company Ltd.

**Ms. White:** By identifying both Yukon Energy Corporation and the Yukon Electrical Company Ltd., is it fair to say that until another public corporation is developed by the Yukon government, these are the only two public utilities in the territory — or will only be the two public utilities in the territory?

**Hon. Mr. Kent:** I think it's important to note that while the Yukon Energy Corporation is a public corporation, the Yukon Electrical Company Ltd. is a private company, so they're not both public corporations. There may be other private companies that wish to establish a utility in the territory and that would be scrutinized on a case-by-case basis. There are other electrical generation opportunities, perhaps, that a private sector company may wish to take advantage of, so this doesn't have anything to do with public or private.

We have that example right now of a publicly owned corporation and a private utility. Both exist in the Yukon at this time.

**Ms. White:** So, in the future, a company could come in that is an independent power producer on a large scale. We've had briefings from Casino mine and they talk about their large-scale energy production with LNG. Let's say the mine comes in and they open up, they build their power plant, they leave the territory and then they want to become a public utility. Could they then become a public utility?

**Hon. Mr. Kent:** I guess with respect to that hypothetical situation, if that were to occur they would have to be, I understand, granted a franchise to operate as a public utility. Some of the other aspects, of course, as IPPs — if they were determined to be an IPP — would it be selling to an existing

public utility or would they be direct-to-consumer sales? Those are the types of considerations that would have to take place with respect to anyone who wanted, in the future, to become a public utility here in the territory.

**Ms. White:** So, understanding that explanation, when we look at the definition in the act as it is going to be stated, it seems like it leaves a lot more open for what could become a public utility. If this hypothetical IPP, on a large scale, were to put in their own transmission lines — let's say the community of Carmacks — would they then become a public utility? They are then selling to the public.

**Hon. Mr. Kent:** When we are contemplating the changes to the definition of public utility, we really feel that the definition has been simplified. The activities that do not cause a person to be a public utility, including those defined through regulation, are now defined as excluded undertakings.

Again, any private company that wants to become an IPP would be subject to the scrutiny of their energy project as well as the scrutiny of the Yukon Utilities Board. Any company that would like to become a public utility would also be subject to the scrutiny that exists for that and, as I mentioned, the granting of a franchise. We really feel that the amended changes in this definition clarify and separate the IPP and microgenerators from the public utility by the changes that we have made here.

**Ms. White:** As a layperson who reads through this, I can say that it's not nearly as clear as all of that. It seems that maybe there could have been a different choice in language. Reading this right now, it seems to be a lot more open than just that.

A question under the excluded undertakings — both someone who is doing a microgeneration project and someone in the future who is doing a larger-scale IPP project will both be under the definitions of section (b)?

**Hon. Mr. Kent:** Both of those will be excluded undertakings by virtue of the terms of the regulations, or perhaps they won't if they fall outside of those terms in the regulations. Obviously we're moving on the microgeneration projects right now, and then what we determine and what comes from the public consultation for the IPPs will help to inform the regulation and what we end up with.

**Ms. White:** When I go through the definitions under "excluded undertaking", we keep on referring to this IPP policy and that is going to get consulted on later this year at a date that hasn't been decided, and this act, these regulation changes, will affect — it's really hard to try to figure out how that future IPP fits into that. That's part of the reason why, I'm sure, the questions are clear as mud — because it's trying to figure that out.

So, when we talk about the excluded undertakings, and it says something like in section — "(i) the electricity is consumed only by the person, their employees or their tenants". That's to assume that, if I had a small hydrogenation plant on my property and I was running my own buildings, it would fall under that.

What happens, then, if I'm producing enough energy and the Yukon Energy Corporation or Yukon Electrical agrees to

buy it from me — how does that change from me providing for myself and now I'm going to sell it back? How does that fit in this greater picture?

**Hon. Mr. Kent:** These paragraphs that the member opposite is referring to — paragraphs (a) to (c) under this section — restate the exclusions that are found in existing paragraphs (a), (d) and (e) of the definition of a public utility, so this is really just a restatement of existing aspects that are already included in the act.

**Mr. Tredger:** I'm wondering if the minister could confirm this: Can an IPP sell directly to a utility, then?

**Hon. Mr. Kent:** That is the only way that an IPP can sell power — sell it directly to the public utility. As I mentioned, through the regulations, IPPs will be able to sell electricity only to an established public utility through a power purchase agreement. That power purchase agreement will be subject to review and approval by the authorities under the *Public Utilities Act*, namely the Yukon Utilities Board.

**Mr. Tredger:** Again, for confirmation — can an IPP sell directly to the consumer — therefore, either going around a utility or competing with the utility?

**Hon. Mr. Kent:** That would define the IPP as a public utility, so they are not able to go directly to consumers. They have to sell through the public utility that is regulated through the *Public Utilities Act* and subject to the scrutiny of the Yukon Utilities Board.

**Mr. Tredger:** So this doesn't open a backdoor opportunity for an IPP to sell directly to the consumer and to undercut a utility or compete with the utility?

**Hon. Mr. Kent:** IPPs will be able to sell electricity only — and that's the part that I need to restate — to an established public utility through a power purchase agreement. That's the important aspect of this.

Those public utilities are regulated and subject to review and approval by the authority in the *Public Utilities Act*, the Yukon Utilities Board. This doesn't open any back doors for IPPs to sell directly to consumers. They are only to sell electricity to an established public utility through a power purchase agreement that has been reviewed and approved by the Yukon Utilities Board.

**Chair:** Are there any further questions in general debate?

**Mr. Tredger:** I just wish to thank the officials for attending and considering our questions. I much appreciate the answers. As well, thank you to the minister.

**Chair:** We will proceed to a clause-by-clause reading of Bill No. 70.

*On Clause 1*

**Ms. White:** Can I please get the minister to recap and clarify the definitions of public utility for us please?

**Hon. Mr. Kent:** Perhaps what I will do is read the amended definition, and then just provide a brief overview after I read that.

The definition, as amended, is that "public utility" means a person who, otherwise than in an excluded undertaking, (a) in the Yukon, for consideration, produces, generates, stores, transmits, sells, delivers or furnishes electricity or gas, or (b)

owns equipment or facilities that are used to do anything described in paragraph (a)... (2) In this section a reference to a person includes any lessee, trustee, receiver or liquidator of the person.”

Just a brief description of that — it really is focused on improving the clarity by simplifying the language, moving exceptions to a separate definition of the “excluded undertaking” definition and moving expanded meaning of “person” to a separate subsection. That is section 2 that I read into the record.

**Ms. White:** Can I please get clarification? Under the excluded undertaking in section B — “(II) does not duplicate any existing or planned facility of a public utility”.

If someone was going to look at generating energy in an area that future hydro was going to be in, what kind of timeline — so it doesn’t compete with a future project?

**Chair:** If the Chair could get some clarification from Ms. White; we are still in Clause 1. Is there any other debate on Clause 1?

*Clause 1 agreed to*

*On Clause 2*

**Ms. White:** I apologize to the House for that confusion.

Can the minister please go to the excluded undertakings in section B — “(II) does not duplicate any existing or planned facility of a public utility”.

Just to clarify the amount of time — if it was in an area near a future hydro project or how this clause works.

**Hon. Mr. Kent:** As I mentioned before, paragraphs (a) to (c) under this part restate the exclusions that are found in existing paragraphs (a), (d) and (e) of the definition of a public utility.

Essentially, with respect to the aspect that the member opposite is referring to, it has to be an actual planned facility. It can’t be subject to somebody’s wishes or aspirations or hopes or dreams. It has to be something that is tangible. This doesn’t represent a change to the existing act. It is already identified in the existing act under paragraphs (a), (d) and (e) in the definition of a public utility.

**Ms. White:** I’m sure the minister appreciates that I didn’t have the opportunity to ask these questions in the original presentation of the *Public Utilities Act*, so I’m totally taking advantage of him being here now.

An example is — you know there is discussion right now and consultation about the Marsh Lake holdback water. If someone was to come forward with an IPP, would that be affected? This is one that’s in consultation and that is tangible. Is that an example where someone could be denied a project?

**Hon. Mr. Kent:** With respect to any specific energy projects that were contemplated, it would be subject to the scrutiny and the review of the Yukon Utilities Board and they would be able to make that determination on whether or not it was in the best interests of the public and advise government accordingly with respect to what they would review.

Again, when they are project-specific things, rather than get into a certain aspect or defining a project like the Marsh Lake enhancement or that type of thing, these would be subject to the public processes, including the Yukon Utilities

Board process. If it is indeed an IPP as I have mentioned, it would be subject to review and approval by the Yukon Utilities Board through the establishment of a power purchase agreement and a sale to a public utility.

*Clause 2 agreed to*

*On Clause 3*

**Mr. Tredger:** Could the minister please clarify who is the Commissioner in Executive Council and what that means?

**Hon. Mr. Kent:** It means the Commissioner, acting on the advice of Executive Council — so essentially, in layman’s terms, it’s Cabinet.

**Mr. Tredger:** Section (g) says, “define a word or expression that this Act uses but does not define” — what words are contemplated and why would they not be included ahead of time? What’s the meaning of that clause?

**Hon. Mr. Kent:** This is something that appears in a number of pieces of legislation that we have. What it does is allow words and expressions to be defined without having to amend the act. Often there’s a need to add those definitions and, as I mentioned, in many other pieces of legislation, it’s something that a regulation is used for, rather than having to come back to the floor of the Assembly to add those specific definitions to the act itself.

**Mr. Tredger:** If I can go on to (2)(a), where it says, “incorporate by reference, in whole or in part or with modifications, any written standard, protocol, rule, guideline, code or other document, either as it reads on a date specified in the regulation or as it is amended from time to time...” When I read that, it looks to me like it gives Cabinet the authority to change regulations.

I thought that the whole purpose of this was to put in regulations so that we wouldn’t have changes being made at the Cabinet level. Does this allow Cabinet to change regulations with an order-in-council that may substantively alter the regulations or the intent of the regulations?

**Hon. Mr. Kent:** What this subsection does is clarify that regulations under the act can incorporate other materials by reference and can include the delegation of power. A good example is having a regulation referred to a set of standards that may exist in another jurisdiction and my understanding is this is something that is commonplace in legislation that we have. It allows us to do that. It is something that exists in other pieces of legislation.

This one, as well as 76(2)(b) that “delegate any matter to, or confer a discretion in respect of any matter on, a person”, are two examples of something that the courts have asked for, especially with respect to (b). Then (a) allows us to have that regulation that can incorporate other materials by reference and can include the delegation of powers.

**Mr. Tredger:** Is it this clause that gives Cabinet authority to do order-in-councils that may change regulations and appoint people? They are fairly strong powers if we are contemplating an order-in-council changing regulations, appointing people who have those kinds of powers who can “delegate any matter to, or confer discretion in respect to any matter on, a person.

Is that appropriate? Is it necessary to have that authority for orders-in-council and that indeed what this does?

**Hon. Mr. Kent:** If this doesn't provide the clarity needed, I would invite the member opposite to ask again.

I guess, sort of stepping into one of the other pieces of legislation that I am responsible for as an example of where this delegation of powers exists, it is the delegation of authority to the chief of mining land use, for instance that is done under the *Quartz Mining Act*. This is something that officials have told me is commonplace in other pieces of legislation that we have. We do have that ability to delegate powers or refer to a set of standards that exists in another jurisdiction. It is commonplace to incorporate that into the legislation that we have. Many pieces of legislation have (a) and (b) as part of them.

**Mr. Tredger:** Thank you for that answer. For clarification, does this then mean that an order-in-council can change regulations or policies that have been previously in place?

**Hon. Mr. Kent:** Just for clarification, an order-in-council — or more commonly referred to as an OIC — is actually a regulation. It wouldn't be an OIC changing regulations or policies. An OIC is an actual existing regulation.

**Mr. Tredger:** So is this the section that would give Cabinet the authority to supersede any existing regulation with an order-in-council?

**Hon. Mr. Kent:** I guess to explain, Cabinet always has the authority and the opportunity to amend a regulation just as the Legislature here has the opportunity and the authority to amend an act.

**Mr. Tredger:** The minister opposite mentioned the chief of mining land use. Is he contemplating, once this act is passed, a chief of electricity or whatever it would be — the designation of a person? What parameters would that include and what are we contemplating when they pass this?

**Hon. Mr. Kent:** I merely referenced the chief of mining land use as an example to better explain what the delegation of powers might be. There's no contemplation of what the member opposite spoke about.

**Mr. Tredger:** So this is here, not because we're currently thinking of having a person delegated, but to have the possibility in the future? There's no contemplation of a position of such a person?

**Hon. Mr. Kent:** As I mentioned, I merely used the chief of mining land use as an example. There's no contemplation of an individual under this act. Perhaps it was a poor example in hindsight to use, but I thought it would help to expedite the debate. The regulations are full of delegations and what this does, as mentioned, is clarify that regulations under the act can incorporate other materials by reference and include the delegation of powers, such as to officials or perhaps even a regulation referring, as I mentioned, to a set of standards.

**Mr. Tredger:** I guess my — if we're not contemplating delegating this to a person, why is it there?

**Hon. Mr. Kent:** As I mentioned, this is something that exists in many other pieces of legislation. It clarifies that

regulations under the act can incorporate other materials by reference, as I mentioned, perhaps referring to a set of standards or, if necessary, to include the delegation of powers. It allows us to do that without coming back to the floor of the Legislature, as I mentioned.

That's what regulations are intended to do. Regulations are full of delegations and I mentioned some specific examples. I don't want to confuse the debate here today by suggesting we'll be creating individuals who will be delegated.

This is something, as I mentioned, that is standard in many pieces of legislation that we have, as far as the regulation. This section (2)(a), as well as (2)(b), in response to the Member for Klondike earlier and the Member for Mayo-Tatchun — these are aspects that exist in many other pieces of legislation and are merely there to provide some surety to the courts when they are seeking whether or not the opportunity was there for us to delegate power to an official. This being spelled out in regulation clearly states that we did have that authority and it protects us when — or if — we are in the courts with respect to this legislation.

**Ms. White:** Just a flag as we're coming to the very end of debate — as the IPP policy is a critical aspect of Yukon's energy future, I'm just going to flag for one last time that my concern is that that was not brought forward prior to the tabling of this bill. I believe this is something that should have been discussed prior to these steps.

I thank the minister for his time and I thank the officials for their time, but I would have liked to have seen that first.

**Hon. Mr. Kent:** I thank the member opposite. As I mentioned, the ability for IPPs and microgenerators did exist in the legislation. This was something that the Department of Justice determined through a review that exemptions to the definition of a public utility within the act were intended to allow for IPPs and microgenerators to be excluded from the definition. However, from a legal standpoint, these exemptions were unclear and inconsistent. The recommendation from the Department of Justice has been that the definition of a public utility within the act should be revised to add clarity and consistency.

To restate for the record, when it comes to the IPP policy, similar to what I believe occurred under the previous minister on the microgeneration policy and program, there will be something brought forward for public review and scrutiny. We're anticipating it coming out in 2014. It's something that is very important for the energy future of the territory and it's something that emerged from the *Energy Strategy* in 2009 and is very important as the Premier set that out in the throne speech for this mandate a couple of years ago. The mandate letters we have and the throne speech set the tone for what our government plans to deliver to Yukoners and that's what we're doing within the mandate that was given to us by the Yukon voters in October of 2011.

*Clause 3 agreed to*

*On Clause 4*

*Clause 4 agreed to*

*On Title*

*Title agreed to*

**Hon. Mr. Kent:** I move that Bill No. 70, entitled *Act to Amend the Public Utilities Act*, be reported without amendment.

**Chair:** It has been moved by Mr. Kent that Bill No. 70, entitled *Act to Amend the Public Utilities Act*, be reported without amendment.

*Motion agreed to*

**Chair:** The next item before Committee of the Whole is Bill No. 68, entitled *Act to Amend the Employment Standards Act*. The Committee will recess for 15 minutes at this point to give folks a break and to bring in officials.

*Recess*

**Chair:** Order. Committee of the Whole will now come to order.

**Bill No. 68: Act to Amend the Employment Standards Act**

**Chair:** The matter before the Committee is Bill No. 68, entitled *Act to Amend the Employment Standards Act*.

**Hon. Mr. Cathers:** I'm pleased to speak in Committee to Bill No. 68, which provides amendments to the *Employment Standards Act* that will help employed parents of children who are critically ill, or as a result of a crime have died or are missing. These changes make it easier for parents who are dealing with extremely difficult circumstances to take unpaid leave in order to access federal benefit programs.

The bill demonstrates this government's priority to provide support for Yukon families, including during times of particular stress and crisis. Last spring, after a full public consultation, my predecessor as Minister of Community Services brought forward changes to the *Employment Standards Act* to this House that provided for unpaid leave that met the length of the federal benefit periods. That was consistent with Yukon's past practice of matching legislative leave with federal programs to ensure that Yukoners could receive full available benefits.

As I noted during my speech at second reading, after we had begun our policy process to amend that, there were changes made in other jurisdictions, and other jurisdictions have for parents who have children who, as the result of crime, died or are missing, instituted leave provisions considerably longer than the federal benefit payment period of 35 weeks.

When this was brought forward by a member in the House last year, we agreed to conduct a second public consultation on these leave provisions and have reviewed legislative changes in other jurisdictions. As a result of this review and the public consultation that followed, Bill No. 68 would make the following changes to the *Employment Standards Act*:

The available term of leave without pay for the parent of a child who has died as the result of a crime is increased from

35 weeks to 104 weeks; the available term of leave without pay for the parent of a child who is missing as the result of crime is increased from 35 weeks to 52 weeks; and the minimum time that an employee must work for an employer in order to qualify for these two leaves, and the leave without pay for the parent of a critically ill child, is reduced from 12 months to six months for that period required to qualify for the leave.

The amendments to the available duration of leave for parents who, as a result of a crime, have died or are missing are now the same as set out in the federal *Canada Labour Code* and is set by all of the provinces that have so far amended their employment legislation, except New Brunswick.

For clarity, the term of leave without pay for parents of critically ill children is unchanged at 37 weeks — again, the same term as is set out in the federal *Canada Labour Code* and by provinces that have amended their employment legislation in this area.

Some brief background includes that on November 20, 2012, Canada's Parliament unanimously approved the *Helping Families in Need Act*. This legislation enabled — for employed parents of children who, as the result of a crime, have died or are missing — a 35-week grant program to provide support payments of \$350 weekly during their time off work in order to assist them in dealing with that loss.

The new federal program came into effect in January 2013 — the *Helping Families in Need Act*. Also amended in June 2013 was Canada's *Employment Insurance Act* and regulations to provide 35 weeks of benefits to employed parents who were caring for, or supporting, critically ill children.

For clarity, I should note that if this legislation passes, the length of the federal benefit programs will remain unchanged, notwithstanding that we are significantly increasing the length of available leave without pay in jurisdictions permitted under Yukon legislation.

The loss of a child under any circumstances is a tragedy for a family and for the community. When a child has died or disappeared, the stress that the family must endure is, needless to say, very hard for anyone who has not faced that situation to fully understand. Of course, for people in that circumstance, no amount of provisions by government, whether for benefits or for the ability to take leave without pay from their job, can ever fully assist them in dealing with it. But it is a step that is intended to help them in those very trying times get some degree of assistance from government in coping with that challenge.

Bill No. 68 sets out that, in those circumstances, any person in a parenting role would be eligible for up to 104 weeks for a child who has died as a result of a crime and 52 weeks for a child who is missing as a result of a crime.

In these cases, a weekly grant of \$350 in lieu of wages is available under the federal *Helping Families in Need Act*, which I referenced. The leave of absence begins on the day on which a death or disappearance has occurred, as the case may be, and ends after 104 or 52 weeks respectively.



Similar to previous provisions made for compassionate care, bereavement, reservist leave, maternity and parental leaves, the amendments regarding these new forms of leave under the *Employment Standards Act* provide new options for employees during difficult times. As has been the case for quite some time, there are within the act appropriate remedies for employees in the event of a situation of non-compliance, and in that case of course, I mean non-compliance on the part of an employer in those situations.

I would also like to add that, as part of our consultation, we examined the issue of the current six-month probationary period for employees under the Yukon *Employment Standards Act*. The motion of the House that we agreed to — and I believe it was unanimously passed last spring — committed government to considering it. The public feedback was not as clear-cut as on the other two questions and after careful consideration, the probationary period will remain unchanged and thus is not reflected in Bill No. 68.

I believe these amendments to the Yukon *Employment Standards Act* will provide some piece of mind for parents who as a result of a crime may have to endure the tragedy of a child who has died or missing, and for those who must take time from work to care for a critically ill child. Again, I and the government recognize that these measure can assist, but cannot ever fully assist them in these very challenging areas.

We are proud of the fact that Yukon was one of the first jurisdictions in Canada to move forward with changes to provide job protection for parents who are going through this difficult time in these circumstances. We believe that the amendments brought forward today are appropriate adjustments that will be comparable to what other Canadian jurisdictions do to complement the new federal benefit programs. I would like to thank staff of Community Services as well as of other departments that played a supporting role, including the Department of Justice, for their work in doing this.

I would also at this time like to table copies of the *What We Heard* document, in case members don't have a copy of that yet, so that they can see the public feedback — that was conducted during the period of December 19, 2013 to January 31, 2014 — said regarding the three questions that we asked — namely, asking for public opinion on — public as well as employer and employee feedback — whether the period of unpaid leave for parents of a child who died as a result of a crime should be extended from 35 weeks to 104 weeks, whether the period of leave for parents of a child who is missing as a result of a crime should be extended from 35 weeks to 52 weeks, and whether the period of time a person must be employed to be eligible for the above two types of leave, as well as the leave for parents of a critically ill child, from 12 months to some other time period — and additionally, on the probationary period.

A total of 65 responses were received. The results of the consultation are included within the *What We Heard* document that members will have on their desks in a moment.

**Ms. Stick:** I want to thank the —

**Some Hon. Member:** (inaudible)

## INTRODUCTION OF VISITORS

**Chair:** Mr. Dixon, on a point of order.

**Hon. Mr. Dixon:** I would like to ask members to join me in welcoming some visitors to the gallery. We have with us today Mike McCullough, two-time Grey-Cup-winning linebacker with the Saskatchewan Roughriders. He was drafted in 2003 and has played for them his entire professional career in the CFL. Like the Member for Klondike and me, he's a graduate of St. Francis Xavier University. However, unlike the Member for Klondike and me, he enjoyed a successful athletic career while he was there.

As well as being a hero to Rider Nation, some of the members of Rider Nation, of course, are in the House today as well — the Premier and the Minister of Energy, Mines and Resources are among them. He is a noted participant and recipient of numerous awards from his community service and devotes a considerable amount of time to a number of charities throughout the country. He is here in Whitehorse along with the Grey Cup in support of the Yukon Special Olympics. With him today is Serge Michaud, the executive director of Special Olympics Yukon.

So please join me in welcoming them to the gallery.

*Applause*

**Ms. Stick:** Let me try this again. I would like to thank the department officials for being here today and for bringing forth this amended legislation to the Yukon employment standards. I'm glad that the amendments we had suggested a year ago have gone out for consultation and have come back to this new amended legislation. It's what we had asked for a year ago and I am pleased that it's here.

I was going to mention the motion that was passed last year with regard to the probationary period. I haven't had time to look at the *What We Heard* document, but I will certainly be looking at that. I've certainly heard from many people that the Yukon is one of the highest jurisdictions — that has the six-month probationary period — in comparison to other jurisdictions across Canada, and that there are some that are even less than three months.

I will come back to this at another time. I am pleased that these amendments have come forward. I hope it's one of those changes to the *Employment Standards Act* that no parent ever has to make use of, but it's good that it's there for them in case there is ever such an incident like that. I'm glad it includes parents of children with critical illness, as well as missing children and children who die as a result of a crime.

I would thank the officials for these amendments. I thank the minister for bringing this forward. It's timely and does come into line with the federal standards that were passed earlier, and it's good to see that other jurisdictions across Canada have done the same in most cases.

**Chair:** Is there any further general debate on Bill No. 68?

We're going to go into a clause-by-clause run-through.

*On Clause 1*

*Clause 1 agreed to*

*On Clause 2*

*Clause 2 agreed to*  
*On Clause 3*  
*Clause 3 agreed to*  
*On Title*  
*Title agreed to*

**Hon. Mr. Cathers:** I move that Bill No. 68, *Act to Amend the Employment Standards Act*, be reported without amendment.

**Chair:** It has been moved by Mr. Cathers that Bill No. 68, entitled *Act to amend the Employment Standards Act*, be reported without amendment.

*Motion agreed to*

**Chair:** The matter before the Committee is Vote 2, Executive Council Office in Bill No. 14, entitled *First Appropriation Act, 2014-15*.

Committee of the Whole will recess for 10 minutes while we await officials and others.

*Recess*

**Chair:** Committee of the Whole will now come to order.

**Bill No. 14: *First Appropriation Act, 2014-15* — continued**

**Chair:** The matter before the Committee is Vote 2, Executive Council Office, in Bill No. 14, entitled *First Appropriation Act, 2014-15*.

**Executive Council Office**

**Hon. Mr. Pasloski:** I'm pleased to introduce the Executive Council Office budget for 2014-15. The budget put forward this year will support the department's efforts to provide and promote government-wide strategic leadership, foster effective relationships with our clients and other governments and enhance the Yukon government's role and profile nationally and internationally.

As an essential government department, the Executive Council Office has both the unique opportunities and responsibilities to achieve government's goals for the benefit of Yukon. It provides corporate leadership, support and services in a wide range of areas to all Yukon government departments.

Primarily through the Intergovernmental Relations, Aboriginal Relations and the Development Assessment branches, the Executive Council Office supports work to develop and maintain effective relationships with other governments.

The Executive Council Office provides non-partisan advice to the Premier and Cabinet in order to facilitate Cabinet decision-making in the best interests of Yukon.

The deputy minister, as secretary to Cabinet, manages the Cabinet process and ensures the Premier and ministers receive quality, comprehensive and accurate advice. The Deputy Minister of ECO provides executive leadership for

government and a coordination function between government departments, agencies, Crown corporations and Cabinet.

ECO's deputy minister has also assumed responsibility for overseeing deputy ministers' progress on achieving government priorities. This work is done in partnership with me and the responsible minister. In this role, the deputy minister will guide major policy initiatives and coordinate the appointments of department heads.

Members will note that the number of programs has decreased slightly from the 2013-14 main estimates. This is a result of a small reorganization that took place in 2013-14 to meet the current and anticipated program delivery needs. As members may recall, we had some discussion on this reorganization during the debate in 2013-14 first supplementary estimates.

The majority of the department programs are now grouped into three divisions: Strategic Corporate Services; Aboriginal Relations; and Corporate Services and Intergovernmental Relations. The comparative numbers for the 2014-15 mains have been restated to correctly reflect the new structure.

The 2014-15 Executive Council Office budget forecasts overall operation and maintenance spending of \$24.2 million and capital spending of \$2.8 million.

Community Services is scheduled to move out of the main administration building during 2014-15, so the inquiry desk staff of two FTEs has been transferred to Executive Council Office.

In 2013-14, ECO started providing human resource support for the French Language Services Directorate. A part-time human resources assistant is required to assist in the increased workload. A new position of strategic advisor has been created to assist the deputy minister with his new, enhanced responsibilities to guide major corporate policy initiatives and to provide leadership to ensure government priorities are being met.

Variations in personnel costing estimates primarily relate to the costs of benefit entitlements for all positions, changes in salary costs resulting from staffing of vacant positions, and positions vacated as a result of long-serving members of staff retiring and being re-staffed at lower rates.

Another driver for variations in projected spending for the fiscal year is the funding associated with major corporate funding areas such as land claims implementation, YESAA implementation and northern strategy project funding.

The proposed budget will allow the Executive Council Office to achieve several key initiatives, including: developing and implementing — in cooperation with First Nations — strategies and projects to support First Nation capacity-building priorities; collaborating with First Nations to invest in northern strategy trust projects that enhance Yukon's long-term interests; working with First Nations and the federal government to continue to support the successful establishment of the *Yukon Environmental and Socio-economic Assessment Act* forum to address ongoing YESAA issues; supporting non-government, youth-serving organizations in their delivery of programs in every

community across the territory; collecting and providing national, provincial and territorial statistical information; enhancing the government's ability to access, apply and develop scientific knowledge and science-based solutions; providing an internal audit function to support accountability and improve program operations across government; implementing with other parties to the agreements a self-government awareness program, "Mapping the Way", to increase Yukoners' understanding of final and self-government agreements; carrying out initiatives to advance Yukon's interest and profile nationally and internationally, such as managing the government-wide intergovernmental strategy; continuing to lobby the U.S. for funds for the Shakwak project; and advancing Yukon's objectives and priorities during Canada's chairmanship of the Arctic Council.

This list highlights only a portion of the many activities and responsibilities the Executive Council Office has been tasked with in the coming year. As members are aware, a large part of the Executive Council Office budget is corporate funding allocated to other departments, governments and organizations through transfer payments. The total amount of money provided through this type of transfer totals \$7.1 million or 29 percent of the department's O&M budget. This amount includes an allocation of the Yukon government's land claims implementation funding and YESAB funding.

In addition, the Executive Council Office is responsible for funding provided under the northern strategy trust to First Nations where they are the lead on projects approved by the Yukon Forum. The 2014-15 forecast expenditures for the remaining two active projects are \$617,000. Supported projects include revitalizing Yukon First Nation languages. This project is led by Kluane First Nation in cooperation with CYFN Self-Government Secretariat and the Yukon First Nation statistical agency.

This is a project led by the Carcross-Tagish First Nation in cooperation with the CYFN Self-Government Secretariat.

Another \$3.6 million has been requested to support the Office of the Commissioner, the Cabinet offices and the operations of the Yukon Water Board. This represents 14.7 percent of the operation and maintenance request for the department.

I would like to now provide a brief overview of ECO branches and their activities for this year. The Strategic Corporate Services division includes the office of the deputy minister, and the Policy, Communications, Finance & Administration, Human Resources and Development Assessment branches.

One of the key objectives it promotes is organization-wide approaches to key government initiatives that departments will implement. Some of these initiatives are advancing corporate strategic planning as an effective tool for realizing government objectives, and coordinating the policy and communications advice provided to Cabinet and the Premier. This operation and maintenance budget for Strategic Corporate Services is \$5.2 million.

The Development Assessment branch is the lead agency within the Yukon government for administering the *Yukon*

*Environmental and Socio-economic Assessment Act*, or YESAA. In this role, the branch: provides corporate leadership and assistance to department with respect to assessment of environmental and socio-economic effects; assists government departments in fulfilling their roles under YESAA; represents Yukon government as the decision body on major projects; provides policy guidance for YESAA implementation issues; and acts as the government's principal contact for assessors from the Yukon Environmental and Socio-economic Assessment Board, YESAB, interested parties and other governments.

The budget of \$1.2 million includes \$316,000 for supporting departments in their implementation responsibilities under YESAA. A strategic objective of the Aboriginal Relations division is to increase understanding and knowledge of the Government of Yukon's role and obligations as a party to the land claim and self-government agreements. This division will continue to provide support and advice to help departments understand, interpret and implement final and self-government agreements and foster relationships and interactions with Yukon First Nations; lead the implementation and promote understanding of Yukon First Nation final and self-government agreements in a manner consistent with Yukon government's obligations and interests; and provide leadership to build cooperative, respectful working relationships with the non-settled First Nation governments to improve economic and social conditions.

The budget for Aboriginal Relations division is \$9.2 million, which represents approximately 38 percent of the total O&M budget for the Executive Council Office. Of this amount, a total of \$6.1 million has been budgeted for implementation funding, which will be provided to program areas across the government in support of these obligations and to Yukon First Nation boards, councils and planning commissions to support their important work as outlined in the agreement.

The planned expenditures confirm this government's commitment to working closely with First Nations by funding key personnel and activities within the Yukon government to support implementation of the final land claim and self-government agreements.

The First Nations Relations and Capacity Development branch supports the development and implementation of capacity development strategies and other capacity-related initiatives in cooperation with Yukon First Nations and the Yukon government. The budget for this branch includes funding required to advance, in partnership with Yukon First Nations, two northern strategy projects for which the branch is the lead, a First Nation governance and public administration certificate program with the Champagne and Aishihik First Nations, and a First Nation land and natural resources management initiative with Kwanlin Dun First Nation, Carcross-Tagish First Nation and Vuntut Gwitchin First Nation. In addition, \$100,000 has been budgeted for the Yukon government's annual contribution to CYFN to facilitate the participation of Yukon First Nations in the Yukon Forum.

The Corporate Programs and Intergovernmental Relations division incorporates the Intergovernmental Relations branch, the Bureau of Statistics, Office of the Science Advisor, Water Board Secretariat and the Youth Directorate. The IGR branch coordinates and leads the Government of Yukon's intergovernmental relations activities with provincial, territorial, federal and international governments to advance the political, social, cultural, economic and environmental priorities of Yukon.

The branch provides strategic advice and support to facilitate the Premier's participation in First Ministers meetings and meetings of the Council of the Federation, western premiers and other forums. Also within the Intergovernmental Relations team, the Office of Protocol organizes and coordinates state ceremonies, diplomatic visits and other official ceremonies related to intergovernmental affairs.

\$1.1 million is requested in this budget to support the work of Intergovernmental Relations.

The branch has also two contribution agreements with parties outside of the government. These include the ongoing support of the Vuntut Gwitchin First Nation for their efforts to support the Porcupine caribou herd and a small contribution of \$5,000 to the Fathers of Confederation Trust in Prince Edward Island to support the Confederation Centre for the Arts.

The Water Board Secretariat provides professional and administrative support to the Yukon Water Board, an independent administrative tribunal established under the *Waters Act*. The staff at the secretariat helps applicants and interveners to participate in the board's public processes, provide licensing recommendations and professional expertise on policy, procedures and technical issues to the board and translate the board's decisions into enforceable licences. The staff also maintains a public registry of all water licences, applications and related information on a new website launched last year. The budget for the Water Board Secretariat is requested at \$1.3 million for 2014-15.

The Youth Directorate provides support for youth leadership initiatives through a number of funding programs. In 2014-15, the Youth Directorate will provide over \$1.2 million in funding for programs directed at youth leadership and support around Yukon. This represents almost five percent of the total operation and maintenance request.

The budget includes \$660,000 in support of direct funding for youth-serving organizations, such as Bringing Youth Towards Equality, the Boys and Girls Club of Whitehorse and the Youth of Today Society.

The Youth Investment Fund has an allocation of \$102,000. A francophone youth organization — Comité Espoir-Jeunesse, now Jeunesse Franco-Yukon — will again receive a contribution of \$25,000 to support their activities, focusing on youth in our active francophone community.

A new time-limited, three-year contribution of \$140,000 per year will be made to the Heart of Riverdale youth centre. This money will be used to support programming activities. Community organizations and other governments will receive a combined total of \$320,000 to work with youth and deliver

activities on a year-round basis in Yukon communities through the youth leadership activities program.

These are the highlights on a branch-by-branch basis for the upcoming year. There are no changes in the sources of revenue associated with the program activities of the Executive Council Office. As in previous years, recoveries from Canada relate primarily to the expenditures associated with the implementation of land claim agreements, which fluctuate annually based on priorities established by departments.

As noted previously, the capital budget request to support all programs under the Executive Council Office vote is \$2.8 million. A contribution of \$2.7 million will be made to the Vuntut Gwitchin First Nation government to support the construction of a community hall in Old Crow. Other funding in this request includes amounts allocated for office furniture and equipment, building maintenance and renovations and to support the acquisition of computer infrastructure that has reached the end of its life cycle.

With these brief comments, I look forward to answering the questions from the members opposite on the 2014-15 Executive Council Office budget.

**Ms. Hanson:** I would like to thank the officials from the Executive Council Office who did provide a briefing to the Opposition on the majority of the matters with respect to the Executive Council Office.

I would note, as the minister opposite noted, that while the number of programs has decreased in the Executive Council Office, in fact there has been a significant year-over-year increase in the actual expenditures. If we look to the actuals for 2012-13 and to the estimates this year, we're actually looking at about a 25-percent increase so that's a significant increase in expenditures.

I would like to focus my questions on a couple of areas. I think I'll go to the Aboriginal Relations section first. The minister made reference to the provision and significant portion of this budget representing implementation dollars, and certainly some of that implementation money is for the ongoing operation of boards and committees.

I want to raise with the minister a concern that I don't have the full scope of it because I think it is an evolving situation and I would like the minister to comment and give some views with respect to what I understand has been proposed — not proposed, but actual changes to the means of funding renewable resources councils.

As the minister is aware, the renewable resources councils are established in section 16.6 of First Nation final agreements. These are particularly important councils, in the sense that these are the primary instruments for local renewable resources management in the traditional territory of a First Nation settlement agreement. The renewable resources councils have members who are appointed by Yukon and by the First Nation, and the councils have been instructed — and have since the early implementation days back in 1995 — to prepare annual budgets and that they're subject to review and approval.

Those budgets cover a range of costs: remuneration and travel expenses of members, public hearings and meetings that they may hold, research costs that they have, review of public information, and many other activities.

When you look at the powers and responsibilities of the council, as enumerated in section 16.6.10, we see anywhere from 10 to 15 various kinds of activities and responsibilities that these renewable resources councils perform and have done so, I think, with great dedication. I know that there are members of renewable resources councils, as we speak, in Alaska taking part in discussions with respect to the situation with the Yukon River salmon and related activities, and that's again one of the enumerated activities.

I have been approached by several people from different RRCs with respect to changes that have been announced by the Government of Yukon — in Aboriginal Relations, I guess — that deviate from funding arrangements that have been in place with First Nations with respect to how they're funded. In addition to the yearly funding that's provided by First Nations, there's now establishing of a new common fund.

I don't see any role anywhere in the final agreement that speaks to a common fund. Perhaps the minister can explain — perhaps there have been updates or amendments to implementation plans that would explain this. It seems to me and to some of the members of some renewable resources councils that the impact of this is to actually reduce both the flexibility and effectiveness of the renewable resources councils as somewhat autonomous bodies appointed by the governments — First Nation and Yukon — to carry out specified duties. It reduces that role and potentially has a negative impact financially for those renewable resources councils. That's the first question I would pose for the minister today. I have a series of other questions on other matters.

**Hon. Mr. Pasloski:** Just on reflection, as I look on page 5-1, the current 2013-14 forecast for the department's total appropriation of just over \$24.5 million, the estimate for the budget mains this year is just over \$27 million. That's approximately a 10-percent increase. If I take out the \$2.7-million contribution agreement to Vuntut Gwitchin, it's actually slightly lower than the current 2013-14 forecast.

With regard to implementation funding for renewable resources councils, Yukon, Canada and First Nation officials reached an agreement last year on new funding arrangements for the 10 renewable resources councils.

The federal Treasury Board approval for this agreement is expected, I believe, by mid-year 2014. The agreement includes the following four improvements: the annual funding amount for each RRC has increased from \$123,149 to \$142,500 effective April 1 of this year, 2014, and will be escalated annually as in the past. The additional \$20,000 top-up that the renewable resources councils currently receive has been made a permanent part of their annual funding and will be escalated along with the rest of the annual funding.

In future years, each of the renewable resources councils will be able to retain a surplus of up to 15 percent of their

annual funding amount. The new funding agreement is for a 10-year term.

**Ms. Hanson:** I'll come back to that at a later date.

I would like to ask the minister with respect to the function of the government's Audit Services. The Audit Services branch is described as auditing financial and management controls within government, including all departments, boards, commissions and government-owned Crown corporations. The objective is to improve the efficiency, effectiveness, economy and accountability of public sector programs — certainly something that we laud and we do very much support.

My concern and my question for the minister is — in the four-year period of 2008 to 2014, there have been three audits completed.

There was an audit in 2011 of the phase 2 follow-up on the audit of contracts. There was the audit of the emergency medical services in 2011 and there was an audit of staffing, which the minister responsible for the Public Service Commission and I are still looking forward to having a discussion about.

There have been three audits, with two of those occurring in one year. It speaks to me of a significant gap in a very important function. I am wondering if the minister could explain, for the record, what his intentions are with respect to ensuring that we establish an audit plan that sets out how the government will be looking at and reviewing — as the mandate is the financial and management controls within government — to improve the overall efficiency and effectiveness, economy and accountability of our government program, because that is what the audit professionals in Audit Services take very seriously — their job.

I would look forward to getting a sense from the minister when we can anticipate receiving or seeing the proposed audit plan and when we would anticipate seeing the balance of government departments being allowed to participate in this kind of review.

**Hon. Mr. Pasloski:** Before I begin to answer that, I was remiss at the beginning.

I want to thank all the great staff at the Executive Council Office, not only in the work in preparing this year's financial budget mains, but the great work they provide both in the service role to other governments and the service and support role they play right across all departments and the support that they provide for the Commissioner and the offices of the Premier and the Cabinet as well.

Audit Services is an area that has come up in the past. There are a couple of things I would like to say right at the beginning. Depending upon the size of an audit, sometimes it's not necessarily able to produce a major audit on an annual basis, if the audit is large, so there can be a discrepancy in terms of the timing between one audit release and another. Another challenge we have had for the past little while is just having a full complement of staff — qualified people — to work within this department.

I can say that recruitment of the replacement of the director of Audit Services is complete and is now on the

ground. We're continuing to finish recruiting people to staff up this department completely. The government Audit Services branch is currently repositioning its activities, including the review of the multi-year risk-based audit planning process on which the annual audit plan is developed, ensuring the audit plan follow-up process is efficient and is appropriately reporting management improvement and revising policies as required.

The director of Internal Audit selects audit projects through a risk-based planning process and submits them to the government's audit committee, which reviews and recommends the audit plan to Management Board, to which it is accountable. The audit of government performance relating to the *Environment Act* is nearing completion. This will be carried forward under the 2014-15 audit plan.

Seeing the time, I move that the Chair report progress.

**Chair:** It has been moved by Mr. Pasloski that the Chair report progress.

*Motion agreed to*

**Hon. Mr. Cathers:** Madam Chair, I move that the Speaker do now resume the Chair.

**Chair:** It has been moved by Mr. Cathers that the Speaker do now resume the Chair.

*Motion agreed to*

*Speaker resumes the Chair*

**Speaker:** I will now call the House to order.

May the House have a report from the Chair of Committee of the Whole?

### **Chair's report**

**Ms. McLeod:** Mr. Speaker, Committee of the Whole has considered Bill No. 70, entitled *Act to Amend the Public Utilities Act*, and directed me to report the bill without amendment.

Committee of the Whole has also considered Bill No. 68, entitled *Act to Amend the Employment Standards Act*, and directed me to report the bill without amendment.

Finally, Mr. Speaker, Committee of the Whole has considered Bill No. 14, entitled *First Appropriation Act, 2014-15*, and directed me to report progress.

**Speaker:** You have heard the report from the Chair of Committee of the Whole. Are you agreed?

**Some Hon. Members:** Agreed.

**Speaker:** I declare the report carried.

**Hon. Mr. Cathers:** I move that the House do now adjourn.

**Speaker:** It has been moved by the Government House Leader that the House do now adjourn.

*Motion agreed to*

**Speaker:** This House now stands adjourned until 1:00 p.m. on Monday.

*The House adjourned at 5:30 p.m.*

### **Written notice was given of the following motion on April 10, 2014:**

Motion No. 636

Re: Conflict of Interest Commission appointment (Cathers)