



Yukon Legislative Assembly

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HANSARD

Monday, December 14, 2015 — 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
Hon. Darrell Pasloski	Mountainview	Premier Minister responsible for Finance; Executive Council Office
Hon. Elaine Taylor	Whitehorse West	Deputy Premier Minister responsible for Tourism and Culture; Women's Directorate; French Language Services Directorate
Hon. Brad Cathers	Lake Laberge	Minister responsible for Justice; Yukon Development Corporation/ Yukon Energy Corporation
Hon. Doug Graham	Porter Creek North	Minister responsible for Education
Hon. Scott Kent	Riverdale North	Minister responsible for Energy, Mines and Resources; Highways and Public Works
Hon. Currie Dixon	Copperbelt North	Minister responsible for Community Services; Public Service Commission
Hon. Wade Istchenko	Kluane	Minister responsible for Environment
Hon. Mike Nixon	Porter Creek South	Minister responsible for Health and Social Services; Workers' Compensation Health and Safety Board
Hon. Stacey Hassard	Pelly-Nisutlin	Minister responsible for Economic Development; Yukon Housing Corporation; Yukon Liquor Corporation

GOVERNMENT PRIVATE MEMBERS

Yukon Party

Darius Elias	Government House Leader Vuntut Gwitchin
Hon. David Laxton	Porter Creek Centre
Patti McLeod	Watson Lake

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New Democratic Party

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

Liberal Party

Sandy Silver	Leader of the Third Party Klondike
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**Yukon Legislative Assembly
Whitehorse, Yukon
Monday, December 14, 2015 — 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: Before we start with the Order Paper, the Chair wishes to inform the House of changes which have been made to the Order Paper. Motion No. 209, standing in the name of the Member for Mount Lorne-Southern Lakes, and Motion No. 1040, standing in the name of the Member for Mayo-Tatchun, have been removed from the Order Paper as they relate to bills that have now passed this House.

Also, Motion No. 1057, standing in the name of the Member for Watson Lake, has been removed from the Order Paper as the action requested in the motion has been fulfilled.

DAILY ROUTINE

Speaker: We will now proceed with the Order Paper. Tributes.

TRIBUTES

In remembrance of Linda Bierlmeier

Hon. Ms. Taylor: Thank you. Mr. Speaker, I rise today on behalf of all Members of the Legislative Assembly to pay tribute to Linda Dianne Bierlmeier, a long-time Yukoner and a very strong champion of our territory, who sadly passed away this past August in Edmonton.

Linda Bierlmeier was born on August 18, 1945, in Lashburn, Saskatchewan to parents Ernie and Lucie Paradis. She was raised in a family of five girls: Judy, Faye, Marilyn, Linda and Terry. In 1965, she married Jim Bierlmeier and moved to Dawson Creek, British Columbia and shortly thereafter, in 1966, moved to Dawson City, Yukon. Linda raised her two sons, Tim and Brian, in Dawson, who, in turn, gave her five grandchildren who she loved and adored every day of her life.

Before joining the Yukon government, Linda worked for Parks Canada in Dawson City, where for 17 years she was responsible for marketing Dawson and the Klondike. She led walking tours and later assumed responsibility for overseeing some seven different visitor sites in Dawson. Her love and knowledge of all things gold-rush-related was legendary, whether it was Dredge No. 4, the history of Bear Creek, the City of Dawson — and the list goes on. In fact, one would be hard-pressed to meet anyone who knew more history and details about the Yukon overall than Linda — a talent that would serve Yukon's tourism industry in the many years to follow.

In 1990, she left Dawson City and moved to Whitehorse, where she would begin her 24-year career with the Yukon government's Department of Tourism and Culture. During her years with Tourism Yukon, Linda held a number of

management positions, including manager of visitor services and senior marketing officer.

All who worked with her — from travel agents and media to tour operators and highway lodge owners — held her in the greatest esteem and valued her impeccable customer service and knowledge of the visitor industry. From road conditions to border crossing updates to visitor amenities, Linda was, for many across the continent, the go-to person.

Linda loved her job promoting Yukon as a visitor destination and did her job well. Her skills and ability to convince people to travel to the Yukon were legendary and helped generate tens of thousands of visitors to our territory. Linda almost always wore a smile. She was well-known for her great sense of humour and her no-nonsense attitude. She made no secret about not being a fan of computers, speaking to the importance of face-to-face interaction with people, not with voice mail. She was a tireless worker who loved her job and meeting people. She was a strong supporter of Yukon's tourism industry and brought her incredible zest for life to marketing the territory. Indeed, Linda loved the Yukon and passionately promoted it whenever the opportunity arose.

In 2014, Linda received the well-deserved Tourism Ambassador Award from the Tourism Industry Association of Yukon in recognition of her lifetime of achievement in the sector. The award honoured Linda for the significant impact she had made on our tourism industry. With more than 40 years promoting, marketing and supporting excellence in Yukon's tourism industry, Linda was appreciated and valued by many individuals locally, regionally and internationally. The numbers of condolences and tributes from friends and former colleagues are evidence alone of her impact on many.

While attending the recent Alaska Travel Industry Association AGM in Juneau that I was part of, for example, Linda Bierlmeier and her dedicated work in support of Yukon's tourism industry was referenced on the main stage. During the recent Tourism Industry Association of Canada awards ceremony, again she was referenced as it continues to be raised across our territory.

As well as a champion of Yukon, Linda was a loving mother and grandmother who could not be more proud of her kids and her grandchildren and all their many endeavours, which are perhaps the greatest legacy of all that Linda leaves behind. There was never a birthday, a graduation or achievement that went unnoticed. She was generous, kind, caring and her standard of excellence and pride that she practised daily continues to live within each and every one of us who knew her today.

Linda's passing is a great sadness to all of us who had the privilege to know her and to work with her.

I would just like to read out a brief excerpt that I think summarizes Linda Bierlmeier in a very appropriate way and it goes as follows: Her professionalism, expert knowledge and ability to tell stories about her Yukon experiences and living in Dawson City and Whitehorse are legendary. A true ambassador, Linda's passion and attention to detail "... forced all of us to stand a little taller, expand our knowledge a little bit more, dress a little bit smarter..." — act a bit more

professional and ensure those tablecloths — those larger than life tablecloths — and I think all of us know what I'm referring to — were always cleaned and ironed — and indeed they were.

In short, Linda brought out, and continues to encourage us to be the best we can be as representatives of the Yukon.

Mr. Speaker, on behalf of the Government of Yukon, I would like to express my deep appreciation for Linda's dedicated service to the department and to the people of the Yukon. She is dearly missed, but her memory will forever be cherished. Our sincere condolences to her family and her friends.

Mr. Speaker, I know joining us in the gallery today is an overwhelming presence of family and friends and former colleagues of Linda's who I would like to ask all members in the Assembly to join me in welcoming. In particular, I would like to introduce a number of Linda's family, including her daughter-in-law Richelle Bierlmeier; and Richelle's mother, Linnea Castagner; and Linda's grandchildren, Shayla, Kyle, and Taylor, who have joined us here today. In addition, there are a lot of individuals representing our own Department of Tourism and Culture. There are too many for me to go through the list, but I would like to just welcome all of our department officials and all of her former colleagues and friends, who have gathered in the gallery in support of Linda Bierlmeier. Thank you so very much.

Applause

Speaker: Introduction of visitors.

INTRODUCTION OF VISITORS

Hon. Mr. Hassard: Thank you, Mr. Speaker. If I could ask everyone to join me in welcoming a few folks from some of the boards. Today, we have with the Liquor Corporation chair, Wayne Cousins; vice-chair, Melanie Graham and member-at-large Eva Birdman.

As well, from Yukon Housing Corporation Board of Directors, we have the chair, Janet Moodie, and member-at-large Rebecca Edzerza.

As well, from the Lottery Commission, we have Spencer Edelman, member-at-large.

So, thank you very much for being here today.

Applause

Hon. Mr. Nixon: Thank you, Mr. Speaker. I would like to take this opportunity to ask my colleagues to join me in welcoming a couple of constituents from my riding of Porter Creek South and that would be Denny Kobayashi and Anne Kennedy. Welcome.

Applause

Speaker: Are there any returns or documents for tabling?

TABLING RETURNS AND DOCUMENTS

Hon. Mr. Hassard: Thank you, Mr. Speaker. I have for tabling the annual report for the Yukon Lottery Commission

for the fiscal year beginning April 1, 2014, and ending March 31, 2015.

As well, I have for tabling the annual report for the Yukon Liquor Corporation for the fiscal year beginning April 1, 2014, and ending March 31, 2015.

As well, Mr. Speaker, I have for tabling the annual report for the Yukon Housing Corporation for the fiscal year beginning April 1, 2014, and ending March 31, 2015.

Hon. Mr. Nixon: Thank you, Mr. Speaker. I have for tabling the Yukon Health and Social Services Council annual report 2014-15.

Mr. Speaker, I also have for tabling the Yukon Child Care Board annual report, dated April 1, 2014 to March 31, 2015.

Finally, Mr. Speaker, I have for tabling the Health Care Insurance Programs, Health Services, 2005 to 2015 — their annual report, April 1, 2014 to March 31, 2015.

Hon. Mr. Istchenko: Thank you, Mr. Speaker.

I have for tabling the *Annual Report to the Legislative Assembly on Complaints Received and Disposed of pursuant to Section 25 of the Environment Act*.

Speaker: 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. White: Thank you, Mr. Speaker.

I rise to give notice of the following motion:

THAT this House:

(1) urges the Government of Canada to immediately signify their support for the Paris agreement reached at the COP21 climate conference; and

(2) urges the Government of Yukon commit to incorporating the provisions of the Paris agreement that apply to Yukon.

Mr. Barr: Thank you, Mr. Speaker.

I rise to give notice of the following motion:

THAT this House urges the Minister of Highways and Public Works to attend the public meeting that is scheduled to take place on January 6, 2016 between officials from the Department of Highways and Public Works and members of the Tagish community.

Mr. Silver: Thank you, Mr. Speaker.

I rise to give notice of the following motion:

THAT this House urges the Government of Yukon to reconsider its decision not to fund Yukon College's enhanced language training program.

I also give notice of the following motion:

THAT this House urges the Government of Yukon to stop using taxpayers' money to fund the Yukon Party campaign-style ads.

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

QUESTION PERIOD

Question re: Greenhouse gas emissions

Ms. Stick: Mr. Speaker, there is already a price on carbon and it doesn't come from any government. Whether it's Yukon's slumping highways, more intense forest fires, receding glaciers, or food security — all of these are the price nature has already put on carbon, whether governments like it or not.

COP21 did result in an agreement, but how big a change is required, Mr. Speaker? Seven-billion-tonnes big — that is how much carbon dioxide needs to stay in the ground for us to meet the target of less than two degrees warming.

Mr. Speaker, what is the Yukon Party government's position regarding a price on carbon?

Hon. Mr. Istchenko: Thank you, Mr. Speaker, and I thank the member opposite for the question.

As you know, Mr. Speaker, we have a climate change action plan that was released in 2009 and we have just updated it. Four of our main goals are to enhance knowledge and understanding of climate change; to adapt and mitigate climate change; to reduce our greenhouse gas emissions; and to lead the Yukon's action and response to climate change. The updates have some hard targets in them and I look forward to moving forward with it.

Ms. Stick: Local media recently shared some comments from the Premier at COP21 in Paris. After downplaying the Yukon's greenhouse gas emissions, the Premier said the territory can play a role simply by shutting off lights when not needed.

Mr. Speaker, Yukoners are looking for meaningful leadership in big energy sectors like space heating and transportation. The federal government says Canada will have a price on carbon. Within 90 days, Canadian leaders will be meeting to discuss how jurisdictions take action on climate change.

Will the Premier commit to clear targets to reduce Yukon's greenhouse gas emissions when he meets with his federal, provincial and territorial counterparts within 90 days?

Hon. Mr. Istchenko: I believe I kind of addressed that earlier — that we do have some hard targets in electricity, industrial, building and transportation. Our government is going to continue to take action. This isn't new, Mr. Speaker. We have been taking action in the past to minimize sector emissions. We are accelerating the replacement of old vehicles with more fuel-efficient vehicles.

We are reintroducing the use of hydro generation during low-use periods in four of our government buildings. We are installing a fleet management information system to identify some efficiencies. We heard in the media today that we are providing an online ride-share program with the City of Whitehorse to reduce commuting in single-occupancy vehicles. We are doing our part and I look forward to continuing to do that.

Ms. Stick: Thank you, Mr. Speaker. Per capita, Yukoners have a big carbon footprint. The government can reduce Yukon's dependence on fossil fuels. We have recently learned that Yukon needs to gather more accurate measurements of our emissions. We also need to consider the full carbon footprint of energy when we plan how we are going to meet our energy needs. The Yukon Utilities Board does not consider climate change or a price on carbon when evaluating energy projects. A ministerial directive could change that.

In order to do our parts in slowing climate change, will the government direct all its agencies to consider the price on carbon when assessing energy projects?

Hon. Mr. Pasloski: Thank you, Mr. Speaker. It is this Yukon Party government that came up with a climate change action plan and an energy plan and created the Climate Change Secretariat. This is the government that continues to invest heavily in the Yukon Research Centre, focusing on innovation and on adaptation. We are very proud of the record that we have. Of course, we will use some context around this. For example, Alberta is striving in their new plan to get to 30-percent renewables. They are going to move and transition from coal to natural gas. We have 95 percent of the electricity consumed in this territory coming from renewables, and we are very proud of that. We continue to focus on those areas where we do have emissions in the transportation sector, and in housing, where we continue to invest in the promotion of green and super green construction. We continue to invest in home renovations and business renovations to create efficiency and reduce greenhouse gas emissions. We have a plan. We continue to move forward, ensuring that it is in a manner that also addresses those needs and concerns and job opportunities for Yukoners.

Question re: Fishing regulations

Ms. White: Thank you, Mr. Speaker. Many Yukon lakes are experiencing overfishing, particularly of lake trout. Yukon government's fish management policy includes stocking closed lake systems, such as the popular Hidden Lakes near Whitehorse, but it appears that another method may be tried to build lake trout populations in open lake systems, which is to place boxes of fertilized fish eggs at the bottom of the lake.

Does the Minister of Environment support using in-lake incubation in Yukon's open lake systems?

Hon. Mr. Istchenko: Thank you, Mr. Speaker. Only landlocked lakes or closed systems are currently stocked with freshwater fish under the Yukon's stocked lakes program. Stocking open systems would represent a significant policy shift in the Yukon government's approach to freshwater fisheries management — a bit of a change there. On that note, the Yukon government is committed to protecting Yukon's fish and wildlife and we are working with the Yukon Fish and Wildlife Management Board and local resource councils looking at options such as the member opposite brought to the floor of the House today. We look forward to working with

our partners, our First Nations and our boards on issues related to this.

Ms. White: Thank you, Mr. Speaker. Concerns about in-lake incubation were raised at a recent public meeting. It's not a proven, viable technique and has failed in other jurisdictions. In-lake incubation could be an ecological risk to the native fish population, which could spread to other waterways through open lakes. The Yukon Fish and Wildlife Management Board contacted a company to conduct trials of in-lake incubation in open lakes, even though the Department of Environment has a policy of not stocking open-lake systems.

Does the Minister of Environment support trials with in-lake incubation that may be contrary to his own department's policies and may be risky for Yukon's native trout populations?

Hon. Mr. Istchenko: Thank you, Mr. Speaker. In my previous answer, I identified the fact that only landlocked lakes or closed systems are currently stocked with freshwater fish under Yukon's stocked lakes program. In addition to examining the stocking of open systems, like the member opposite brought to the floor of the House today, the government is considering additional options for stocking closed systems to increase harvest opportunities for Yukoners.

So I said it earlier — we'll work with our partners, including the Yukon Fish and Wildlife Management Board, our local renewable resources councils and the local First Nations on examining options to restore lake trout populations in some of our lakes.

Ms. White: Thank you, Mr. Speaker. Current policy for fisheries management in the Yukon is to not stock open lakes, but we saw trials in open lakes this past summer. Technical questions about the ecological risks of the in-lake incubation should be addressed before experimentation in Yukon's lakes, yet under the Minister of Environment's watch, trials which may be contrary to the department's policy are advancing — even without the full engagement of government biologists.

We all want Yukon lakes to sustain healthy trout populations. Will the minister agree to follow current departmental policies and engage Department of Environment fishery biologists before approving further trials of in-lake incubation in open lake systems?

Hon. Mr. Istchenko: I guess I should apologize. I should have brought to the attention of the member opposite that our fish biologists are part of this process. They've been working hand in hand. They go to the meetings in the communities — the local resource council meetings — when there's an issue with lake trout, grayling or any type of fish population and they provide the good advice that we need. Like I said, we are looking forward to working with our partners — Yukon Fish and Wildlife Management Board, the local resource councils, our staff at Environment and the local First Nations — who provide the knowledge when examining options to restore lake trout populations in some of our lakes.

Question re: Yukon College programs

Mr. Silver: Thank you, Mr. Speaker, I have a question for the Minister of Education. Last week, Yukoners learned that after 10 years of successfully delivering the enhanced language training, or ELT, Yukon College has been forced to discontinue the program. Now this is due in large part to the fact that the Yukon government discontinued its status as a funding partner this year. This is the program that newly arriving Syrian refugees will be taking to advance their learning of English. Why did the Government of Yukon refuse to continue funding to the program — one that it has funded in the past?

Hon. Mr. Graham: Thank you, Mr. Speaker. I enjoy answering these kinds of questions because — well, it's a difficult question to answer, because the member opposite has his facts wrong.

The enhanced language training program that the member opposite is speaking about was never funded by the Government of Yukon. It was funded by the Government of Canada. Citizenship and Immigration Canada paid a nominal figure for the enhanced language programming at Yukon College since 2006. Unfortunately, the program costs approximately \$210,000 to \$212,000, and Citizenship and Immigration Canada only paid \$119,000. The Government of Yukon, through the community trust training fund, put up about another \$46,000, but unfortunately, the program was costing the college a number of dollars each year. So the Yukon College Board made the decision to drop the program from its calendar.

Mr. Silver: Mr. Speaker, the college has stopped funding it because they don't have the money to do so.

We have been told that the Government of Yukon has been asked to contribute a small amount of money to keep this going and the Government of Yukon has refused. This is one of the reasons why this program is ending. With an expensive college-to-university transition process looming over the college and expectations to operate with a status quo budget for the next year, the college has lost its ability to absorb losses in third party funding programs such as the ELT, a program meant to pave pathways to employment for newcomers to Canada, including permanent residents and refugees.

Now, over the past 10 years, there have been over 100 ELT students and their impact to our economy and our culture is very significant. There is currently no employment-focused settlement program for permanent residents and refugees in the Yukon, so the question to the minister is: What, if anything, does his government plan to do to address this problem?

Hon. Mr. Graham: Once again, the member opposite is wrong. The Government of Yukon did not refuse to fund additional enhanced language training at the college. In fact, the Yukon government funds, as a base at the college, the English as a second language program. That program will continue to operate and will continue to service the new refugees and immigrants who come to this territory.

The Yukon College Board is an independent board. The Government of Yukon gives that board approximately \$25 million to \$30 million a year, depending on what agreements we reach, and it's up to that board to determine what their program mix is. Mr. Speaker, if we were to tell the college on a daily basis what programs they should be running, the member opposite would be the first one screaming with indignation that we are directing the actions of an independent board.

I'll continue to respect the College Board. I'll continue to increase the funding annually, as we do with the college and we will continue the funding of the English as a second language program at the college because we believe — this caucus believes — that it's a very important program.

Mr. Silver: So I guess the question still begs: Does the minister believe that the ELT is an important program as well? We're asking this question because we've been asked to ask this question. The program has been operating successfully for decades. The college has contributed and, yes, the Government of Canada has contributed. Will the Government of Yukon help out? It's a pretty small amount of money we're talking about here and the timing couldn't be worse. Yes, there is other programming, but this is the one that is specifically needed.

What is the government doing to ensure that this language training service is there for the people who need it?

Hon. Mr. Graham: Knowing the member opposite is such a good friend of the new people in Ottawa, I'm sure that he's going to — on behalf of all Yukoners and on behalf of Yukon College — ask Citizenship and Immigration Canada to increase the funding for this program that has never covered the full cost of the program.

We will continue to offer the programs that we have offered at the college in the past — or we will continue to fund those programs — and we'll continue to respect the Yukon College Board of Governors.

The range of programs offered for new Canadians and new Yukoners is fairly extensive at the college and, whereas it's really unfortunate that the ELT program has been discontinued, in other provinces across this country that funding is usually available to multicultural organizations, municipal organizations and other organizations such as that to offer the program.

I know the Multicultural Centre of the Yukon would be perfectly able to offer the enhanced language training program and could be funded by CIC, or Citizenship and Immigration Canada, to do so.

Question re: Dome Road and Mary McLeod Road rerouting

Mr. Tredger: Thank you, Mr. Speaker. Last week, the Minister of Energy, Mines and Resources demonstrated his lack of understanding of the implications of the Slinky mine's new application to mine in the Dome Road area of Dawson. He once again justified the \$1.3-million settlement that his government gave to the operator of the Slinky mine by saying that — and I quote: "It enabled the placer miner to reach a

timely end to placer mining near the road." Yet the operator has applied to mine on the other side of the road for the next 10 years. This government ignored the operator's other claims in the area before reaching a settlement.

Mr. Speaker, why didn't this government include the Slinky mine's eastern claims in the negotiations that saw them spend \$1.3 million to move the Dome Road for the operator?

Hon. Mr. Kent: Thank you very much, Mr. Speaker. As I mentioned before, the agreement to mine to the west of the Dome Road inside the corner was something that was negotiated between the Yukon government, the municipality of Dawson City and the operator of the mine. That was covered off in the contribution agreement that we made to relocate the road. Again, not only does it give that opportunity to bring a timely end to mining in that area of the Dome Road, but there are also some safety issues that this realignment addressed as well.

Again, Mr. Speaker, at the end of my responses last week, I challenged the New Democrats to put forward what their position would be. Would they expropriate these claims? Would they buy out the economic opportunities? I asked the member opposite three times last week and he failed to provide an answer, so perhaps he'll be willing to provide an answer in his supplementary question — what the NDP position would be with respect to claims that were legally staked within the municipality.

There is no longer the opportunity to stake placer claims within municipalities, but these were done prior to the expansion of the municipal boundary and those changes in the *Placer Mining Act*, so they are legally staked claims and the operators have legal rights with those claims. Again, I would be interested in the NDP's position on that.

Mr. Tredger: Well, the Yukon NDP certainly wouldn't spend \$1.3 million to benefit a single mine operator without asking him about his plans for the rest of the claims. When this agreement was reached, the minister said that the agreement would "... provide for a timely end to placer mining near the road and residences..." Now the agreement has failed to do that. Residents are frustrated that this government bent over backwards to placate the mine owner without actually solving the problem. Living next to an operating mine comes with a whole host of issues — issues that the residents have brought up and that this government has ignored.

Mr. Speaker, will the government acknowledge that their multi-party agreement did nothing to protect the interests of Dome Road residents?

Hon. Mr. Kent: Thank you again, Mr. Speaker. Again, this is with respect to the claims that were located and mining activity that is to the west of the Dome Road on the corner where the Slinky mine is located. Again, the claims that are to the east of the road are subject to an active YESAA process right now. I believe the public comment period closes later on this month.

Mr. Speaker, of course there has been activity in that area very recently. The Minister of Economic Development and I visited an active placer mine in that area a couple of years

ago. So there has been activity within that area, but again, we will await the results of the YESAA process to determine what's going on.

Again, I'll ask for the fifth time over the last couple of days: What is the NDP's position? Again we hear the Member for Klondike trying to be on everybody's side when it comes to placer mining and this type of thing. So he can call off-mic; perhaps he can get a chance to ask a question tomorrow. The Liberals perhaps will put their position forward and we await the NDP's position. The kinder and gentler Liberal leader who was promised a couple of weeks ago seems to have left that attitude in France.

Mr. Tredger: I would be happy to provide the minister advice at an appropriate time, but this is Question Period, and I'm asking what, if anything, the Yukon Party has done for the people of Dawson. This deal was never about addressing the concerns of Dawson people. It was about making a problem go away as quickly and as quietly as possible. This government has refused to take a proactive stance when it comes to pre-existing mining claims in municipalities. Now, thanks to this government, we have a precedent where an operator can expect that government can reroute a road without making any meaningful concessions themselves.

What will this government do to remedy the poor precedent they set with this mismanaged Dome Road multi-party agreement?

Hon. Mr. Kent: Thank you very much, Mr. Speaker. Again, the Yukon government, the municipality of Dawson and the owners of the Slinky mine signed a multi-party agreement in 2014 that will enable future development of country residential lots in the area, will allow for a timely end to placer mining near the road and residences, and has enabled improvements to the safety of road users with the realignment of the Dome Road.

We are currently finalizing the revisions to the existing prohibition order on quartz staking within the town limits for Dawson City. We have made substantial progress within the municipality of Whitehorse as well, where we have issued a prohibition order on quartz staking for 74 percent of the lands within the City of Whitehorse. That was done on June 19, 2012.

Mr. Speaker, again, we think it's important to respect the rights of these claim-holders. They staked those claims in good faith under the regime of the day. Now there is no placer staking allowed within municipal boundaries, but for the claims in this area — and there are a number of claims in this area, Mr. Speaker; it's not just the ones that the member opposite is referencing — we will wait for the YESAA process to play itself out. There has been activity very recently in that area that has occurred. So we'll look forward to the results of the YESAA process, and it's certainly our position to respect the rights of claim-holders when it comes to their opportunities as well.

Question re: Capital project expenditures

Ms. Moorcroft: Mr. Speaker, during Community Services budget debate last Thursday, troubling trends

emerged in the way federal capital funding money is managed. Several capital projects in the Department of Community Services came in significantly under-budget and the money was reallocated to other projects.

The minister said that when projects funded from the Building Canada fund come in under budget, the money can be moved elsewhere. Many Yukon communities are waiting on much-needed infrastructure improvements, and this government, instead of properly budgeting from the get-go, is forcing them to rely on whether money is left over from other projects.

Why does the Government of Yukon so frequently over-budget capital projects when taking advantage of the Building Canada fund?

Hon. Mr. Dixon: Thank you, Mr. Speaker. I could tell the member opposite wasn't quite paying attention during debate last week.

What I said was that certain projects of like nature — so projects that are of similar nature — are grouped together because sometimes the nature of civil infrastructure projects in the north is that some projects will come in a little bit above and some will come in a little bit below. So by grouping those projects together, we are provided the flexibility to manage those projects within the capital envelope provided and that enables us the flexibility to get these projects done in a timely fashion.

We've seen examples where we applied that flexibility to emerging priorities in various communities. One example is the new force main in Dawson, where we were able to respond positively to an emerging issue in that community. That was one of the first issues that the mayor of Dawson City raised with me when I became Community Services minister and, because of the way the federal funding is structured and because the grouping was appropriate, we were able to find the funding and meet that emerging demand.

So, this is a good thing, Mr. Speaker. This is flexibility within the capital — the federal infrastructure capital, MoT funding — that is a positive thing. It's interesting to see that the NDP sees this as a negative thing when we're using the federal dollars to the best of our ability.

Ms. Moorcroft: Mr. Speaker, federal funding programs are a huge benefit to Yukon's economy. They need to be managed properly but this government has a track record of mismanaging those federal funds.

During debate last week, the minister said — and I quote: "... we find money in projects that we underspent on and we transfer it to new and emerging projects..." In one case, a project cost only 30 percent of the budgeted amount, leaving the other 70 percent waiting to be assigned elsewhere. We look at under-budgeting of two and a half million dollars — that's not a very accurate assessment. The community infrastructure projects that the Building Canada fund money is used for are usually known problems in the community that can be planned well in advance, rather than covered in the piecemeal approach that this government has taken.

Mr. Speaker, why can't the government make accurate projections of its capital construction costs, rather than relying on an ad hoc approach to budgeting?

Hon. Mr. Dixon: Well, thank you, Mr. Speaker. It appears the NDP position would be that we should just send that money back to Ottawa; we don't need it.

Mr. Speaker, when projects come in under budget, we have some flexibility and we can apply that funding within groupings of projects. Sometimes when you dig up some pipes in the Yukon, it turns out there's more work that needs to be done, Mr. Speaker, and sometimes priorities change. That's why we adopt this approach and that's why we've enjoyed the flexibility that existed in the previous Building Canada fund and that's why, last week, we passed a motion unanimously urging the current government to maintain that level of flexibility that all members voted in favour of.

Now, Mr. Speaker, the members opposite voted in favour of a motion last week encouraging flexibility in the federal funding and now, in their question today, she is suggesting that we shouldn't have the flexible approach and we should be more rigid and send this money back to Ottawa when we don't spend it.

That's not the approach we'll take, Mr. Speaker. We budget responsibly. We work closely with municipalities, LACs and First Nations when we set the priorities of these infrastructure projects. We have an excellent track record with regard to deploying those infrastructure dollars and getting infrastructure improvements completed here in the territory. One only needs to look at the list — the long list — of infrastructure projects that we've completed over the last 10 years or so that have successfully enhanced the life of Yukoners. So it's disappointing to hear this tack from the NDP. It's disappointing that they don't understand the way federal funding works and it's disappointing that they would have us change our systems to not respond to the communities. That's not the approach we'll take. We'll continue to get the job done, Mr. Speaker.

Speaker: Order, please.

Ms. Moorcroft: Mr. Speaker, if these projects had been properly budgeted from the start, more infrastructure funding could already have begun in Yukon communities that need them. Instead, the minister is saying that they have to wait until other projects are completed and hope that they are awarded some of the leftover money from other projects. That is no way to manage capital spending.

Why doesn't this government properly budget Building Canada projects so that needed community infrastructure can be funded immediately, rather than waiting for funding to be left over from other projects?

Hon. Mr. Dixon: Thank you, Mr. Speaker. As I said, during a building cycle, during a building season, things can change. Priorities can change; the nature of certain infrastructure projects can change; and sometimes communities face emerging challenges, like we saw last year with the force main in Dawson. It was a piece of infrastructure that needed to be addressed immediately, and because we had the flexibility in this fund, we were able to re-profile the

dollars from a previous project that came in under budget and channel that money toward a new emerging priority that hadn't been previously contemplated. That is a good thing. That is something that we encourage the federal government to continue to have — which is the flexibility within the federal envelope within northern infrastructure projects.

Mr. Speaker, again I will respectfully disagree with the member opposite. We take a responsible approach. We are appropriately spending federal infrastructure dollars, and we will continue to do so for the benefit of Yukon communities.

Question re: Ross River issues

Mr. Barr: Mr. Speaker, this fall the government has let Ross River residents down — from public safety issues to maintaining vital travel corridors, the Yukon Party government has failed to maintain the high quality of government services in the community. First, the Yukon Party government's politically motivated road upgrades to support a now-closed mine on the Robert Campbell Highway left Faro and Ross River residents in the dust. The highway between the two communities is a lifeline and, for years now, the Yukon Party government has failed to do what it takes to support them with adequate road access.

When will the government finally listen to Ross River residents and invest in upgrades to the Robert Campbell Highway between Ross River and Faro?

Hon. Mr. Kent: Thank you, Mr. Speaker. When we were discussing the budget in the spring, at that time I mentioned that we are undertaking functional planning of a significant portion of the Robert Campbell Highway, including the portion that the member opposite referenced. That functional planning will identify a work plan for us going forward, so we can make proper decisions.

Again, we are doing the necessary planning so that we can come up with cost estimates that are realistic and will make sense and that we can budget for. If we were to do anything else, we would certainly be criticized by members opposite for that. We are doing the work. That functional plan is scheduled to be completed within this current fiscal year.

Mr. Barr: Mr. Speaker, Ross River problems don't end with the highway. As an unincorporated community, Ross River can't count on the support of the *Dog Act* to address problems caused by stray animals. This fall, we heard about Ross River's increasingly serious stray-dog problem because the Mounties had to shoot a dangerous animal in the street. There just wasn't any other solution at hand. Yukoners in unincorporated communities cannot and should not rely on the RCMP to handle canine problems — especially when they are trained to rely on lethal force — when there are dog catchers in most of the other communities.

With no solution to Ross River's dog issues in sight, what does the Yukon Party government plan to do to ensure the safety of Yukoners in unincorporated communities?

Hon. Mr. Istchenko: Mr. Speaker, the RCMP officers typically lead the response to complaints about dog control in the communities that do not have a bylaw officer. Our animal protection officer may also assist the RCMP, municipal

officials or First Nations when requested, specifically for controlling dangerous dogs when they are a threat to public safety.

Also, the Humane Society Yukon is currently delivering a spay-and-neuter voucher project for dogs in Yukon communities. Through the spay-and-neuter voucher project, at least 39 dogs in Ross River have been sterilized over the last two years, helping to control the dog population communities, so we're going to continue to work with our communities and our First Nations on issues like this and many more.

Mr. Barr: Mr. Speaker, if this government took these issues seriously, their neglect for Ross River's concerns would not be piling up like this.

Time and time again, Ross River residents have made their issues public and there is no greater sign of inaction than the Ross River bridge. The public has been unable to use the bridge for two years now and members on this side of the House have been calling on the government to move forward with bridge repairs, just like we've been there for the Ross River folks on all the issues the Yukon Party government prefers to ignore.

Mr. Speaker, when will they show Ross River that its residents still have a government in Whitehorse that represents them? When will the Yukon Party government make the repairs of the Ross River bridge so it can reopen?

Hon. Mr. Pasloski: This government certainly is proud of the work that we have done together with the community of Ross River — and the investments have been significant. We have heard the Minister of Highways and Public Works talk about the planning on the highway between Ross River and Faro, but let's also remember the new arena and community centre that we built during this mandate in that community, or the drinking water, the fire hall that we put in there, the support for the suspension bridge — the first phase was to stabilize the bridge. I worked in investments in solid waste and of course we continue to work with the Kaska toward a framework for reconciliation so that the people, the community of Ross River, the members of the Ross River Dena Council, the Kaska, and all members of that southeast and eastern Yukon can benefit from some economic development.

This government has made considerable investments in that community and, for the record, both parties voted against all of those investments.

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

ORDERS OF THE DAY

Mr. Elias: 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. I will now call Committee of the Whole to order.

Motion re appearance of witnesses

Committee of the Whole Motion No. 12

Hon. Mr. Cathers: I move:

THAT from 3:30 p.m. to 5:30 p.m. on Monday, December 14, 2015, Joanne Fairlie, Chair of the Yukon Development Corporation Board of Directors, Justin Ferbey, President and Chief Executive Officer of the Yukon Development Corporation, Kells Boland, Chair of the Yukon Energy Corporation Board of Directors and Andrew Hall, President and Chief Executive Officer of the Yukon Energy Corporation, appear as witnesses before Committee of the Whole to discuss matters relating to the Yukon Development Corporation and the Yukon Energy Corporation.

Chair: It has been moved by Mr. Cathers:

THAT from 3:30 p.m. to 5:30 p.m. on Monday, December 14, 2015, Joanne Fairlie, Chair of the Yukon Development Corporation Board of Directors, Justin Ferbey, President and Chief Executive Officer of the Yukon Development Corporation, Kells Boland, Chair of the Yukon Energy Corporation Board of Directors and Andrew Hall, President and Chief Executive Officer of the Yukon Energy Corporation, appear as witnesses before Committee of the Whole to discuss matters relating to the Yukon Development Corporation and the Yukon Energy Corporation.

Hon. Mr. Cathers: Madam Chair, I'm not going to speak at great length. This is a typical fall appearance by the corporations. I believe members were made aware of this a week or so ago of the date when they would be appearing.

Chair: Does any other member wish to speak to this motion?

Committee of the Whole Motion No. 12 agreed to

Chair: The matter before the Committee is continuing general debate on Vote 52, Department of Environment, in Bill No. 20, entitled *Second Appropriation Act, 2015-16*.

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. 20: *Second Appropriation Act, 2015-16* — continued

Chair: The matter before the Committee is continuing general debate on Vote 52, Department of Environment, in Bill No. 20, entitled *Second Appropriation Act, 2015-16*.

Department of Environment — continued

Hon. Mr. Istchenko: I do want to thank the members of Kluane for their continued support, and I look forward to — I was really excited to become the Minister of Environment because a lot of environment-related stuff plays out in my riding.

I do want to highlight a couple of things before I let members opposite move forward with questions. This budget is a good example of a wide range of activities undertaken by the department in support of our mandate.

I just want to reiterate our mandate to actively implement the provisions of First Nation final agreements and that's working with our boards and committees, providing quality outdoor recreational opportunities in our parks and campgrounds — and campgrounds have been the topic of conversation; they're very popular within the Yukon — managing human impacts on fish and wildlife — like we had some conversation in Question Period today about that; and of course addressing the challenge of global climate change. I know I was happy to see a robust good group go to tell Yukon's story. You know, we're just looking at what has come out of COP21. It will take us a bit of time to review it, and I know I'll be having some conversations with our federal minister in the near while about this issue, and also taking the lead role in regulating and enforcing safe standards for air, water and soil.

I just want to finish off, at the end of my first reading speech, where I was. There were some things I needed to highlight in the budget as it appears. There is an additional \$133,000 that has been carried over from 2014-15 to complete the new Conrad campground near Carcross. It's our first new campground built in 28 years. A further \$34,000 is needed for capital investments that will help implement the *Yukon Water Strategy and Action Plan*.

With respect to capital expenditures in our Corporate Services area, Madam Chair, the department is seeking an additional \$453,000 for 2015-16. Most of these funds — \$342,000 — are for the lands and facilities work at Watson Lake district office and the department's main office in Whitehorse, which started in 2014-15 and is carried over into 2015-16. \$66,000 is needed to continue work on the Yukon environment information system. This is a reallocation within the government's information technology envelope.

Lastly, there is a revote of \$45,000 which is sought for the purchase of a boat and boat motor for Herschel Island. These funds are 100-percent recoverable from Canada, pursuant to the *Inuvialuit Final Agreement* and, Madam Chair, I had the pleasure of visiting the staff up at Herschel Island and I just can't say enough good things about the hard work that they do up there in the north Yukon.

That's it for the numbers. This supplementary budget is a great snapshot of the many activities that the Department of Environment undertakes in order to support a healthy, sustainable and prosperous Yukon now and into the future. I would like to end my remarks by thanking the staff at the Department of Environment for the dedicated, professional work that they are truly committed to. I also want to thank the

staff within my offices — my executive assistant and administrative assistant, and the hard work that they do for us — and my fellow colleagues for advice when it comes to issues.

We are committed to environmental stewardship, informed decision-making, working in partnership with other organizations, governments and boards, and organizational excellence.

I'll open the floor to questions or initial thoughts from the members opposite.

Ms. White: Firstly, I would like to thank the official for coming to the House. It's always a pleasure to have you and your colleagues join us.

Before I get into questions, the first thing I would like to do is thank the staff of Environment Yukon for their superhuman powers and quick turnaround time. It shows the level of professionalism and integrity within the department, and I thank them for it.

On Wednesday, December 9, during a motion debate about campground accessibility, I referenced the Environment Yukon webpage and the campground map. I highlighted that 13 of the 52 campgrounds were marked as accessible, as seen on the map. Well, in less than 24 hours, the campground map had been updated and it shows that 22 of Yukon campgrounds out of 52 are accessible. That's most excellent. Essentially, we doubled the number of accessible campgrounds that you can find online in less than 24 hours — so that was fantastic.

So that is going to start the questions for the Minister of the Environment.

What is the level of accessibility in a campground when it is marked as wheelchair accessible? Is it that all available facilities for that spot are accessible? Understanding of course that a recreation site doesn't have campsites, but for campsites, is it universal? Does it include outhouses, camping spots and shelters?

Hon. Mr. Istchenko: I do thank the member opposite. I think it's great — the work that is done by the staff — and I know I picked up on that too — the update was really quick.

Before I go on though — Madam Chair, I forgot to introduce the staff here today — Ed van Randen, who is an ADM in the department. He's site-specific on all knowledge toward the Department of Environment, and I will be relying on him today so I want to thank him for being here today.

When it comes to campgrounds — they're very, very popular. Just from the time growing up in Kluane — we built our own campground at Pine Lake and, some 30 years ago, the Department of Environment — or the government of the day — came and said, "Let's build you a bigger one with a bigger sandy beach," and we were like, "Yes". I spent my life out at Pine Lake water-skiing, fishing and growing up at the campground in the summertime. There was less wind back then too, I might add.

When it comes to the accessibility of our campgrounds — when we first built campgrounds some 30 years ago, that wasn't really much of a conversation — the accessibility thing. Anything that we do now, that's first and foremost — the accessibility to it. I toured just about all of our

campgrounds this summer, and when it comes to — for example — wheelchair access, you'll see some of the sites have picnic tables and the fire pits where you pull in on the level. Some of the picnic tables and the fire pits are down below. Right now we're not highlighting exactly the ones that are wheelchair accessible and the ones that are for people with disabilities, and I think that's something that we had bantered around in the department, if there is the ability to have some signage on it.

I know all the improvements — when it comes to the docks, when it comes to the cook shacks and when it comes to the outhouses and the ability to get in there — they're all built now to a standard so people can get in there. The paths are wide enough and some of the ramps and stuff like that have supports so that wheelchairs stay on the ramp when they're going up and into the thing. I hope that addresses the question from the member opposite.

Ms. White: Not quite, but we're well on our way.

So the 22 — both campsites and recreation sites — that are listed on the webpage as being wheelchair accessible — it doesn't say if it includes camping spots, if it's a campground; it doesn't say if it includes cook shelters. It just says "wheelchair access". So my question is: Are all the ones that are marked as being accessible online — so the 22 out of 52 — does it include, if it's a campground, wheelchair-accessible campsites? Does it include cook shelters? Are there different levels of accessibility within different campgrounds? Understanding that there is a difference between recreational sites and campground sites, does it mean that if it's a campground that someone in a wheelchair can expect to be able to use an outhouse, a campsite and the cook shelter?

Hon. Mr. Istchenko: I know we are working on a better mapping system for the campgrounds. The general assembly was at Kusawa this year. I went online and that's what got me looking. It's not very good, but with the technology that we have in some of the other government departments, we are going to share some programming here. That is one of the things that I am not going to commit to the member opposite — exact numbers right now. I will get back to the member opposite with which campgrounds and campsites. I think that's moving forward for next season — having some signage and some better mapping so when people look at the map online, because everybody is tech-savvy now, and they can say, "Oh, there's two or three or no, there are none" — or whatever. I agree with the member opposite on the difference between the two. I know that we have to let people with disabilities know that there are some outhouses there, that there are camping stalls 1 to 5 and picnic shelters — stuff like that.

Ms. White: I thank the minister for that response. In the correspondence that I will wait for to find out what is accessible — if the minister could also list the campgrounds with accessible campsites — then I will forward it to the constituents who have asked where they might be, because they have yet to discover them. I look forward to the time when we can use the technology to our greatest benefit.

In debate on December 9, the minister said that barrier-free outhouses would be built in 32 of the 52 campgrounds and recreation sites. I understand that some remote campsites would be next to impossible to reach for people with mobility issues, such as back-country campsites within the Tombstone Park. For the others, is there a plan and timeline to make those outhouses accessible?

Hon. Mr. Istchenko: Yes — to answer the question for the member opposite. We do want all our outhouses to be barrier-free, and we have seen changes as we replace outhouses and we move forward. Everybody thinks that everybody shuts down in the wintertime and not much is going on. We just have to go down to where our Parks yard is, and they are busy building barrier-free outhouses and everything else for the list as we replace them.

I am in agreement with the member opposite that using technology will be wonderful. I think moving forward having that online is going to be key. Unfortunately, we are probably going to create more people going camping, but that is a good thing.

Ms. White: That will be fantastic — the announcement of our 22 new infill sites. My next question is in direct relation to that announcement. I am just trying to understand the sheer numbers of people who could be using those new sites within those campgrounds that are close to Whitehorse. I was trying to figure out what that would mean. I know the department right now will be planning for the next budget year to figure out how many people will need to be on the ground. My question is: How many campground attendants do we currently have? What kind of areas do they cover?

Do we expect to see an increase in campground attendants because there has been an increase in — Conrad will be online, as well the infill spots — the camping population? How does the department plan on mitigating the concerns of more people in the campgrounds that are closer to Whitehorse?

Hon. Mr. Istchenko: I don't have the exact numbers of our maintenance staff, but what I can tell the member opposite — one of the conversations we're having is about positions, when it comes to the increases next year. We're still in having discussions on next year's budget, but we've already had conversations about how many more FTEs — do we need 0.3, 0.5, 0.6, 0.9? Understanding that when we proposed a lot of these campgrounds, some of the busier areas within the two-hour radius of Whitehorse — the good thing about that is it's not like in my riding, where Snag is 100-odd miles away from Congdon Creek — so that is a lot of travelling. These campgrounds are closer; they're more accessible, so one attendant can cover more. We'll look at our positions.

We also have our enforcement staff there too. We look at what they do, and sometimes schedule them around some of the other stuff. With any new improvements, we definitely do address the fact that there will have to be more support.

Ms. White: So, just to confirm with the minister then, the department is planning to look at staffing numbers in order to maintain the service levels, peace and quiet and kind of day-to-day sometimes growing pains that the parks will have.

The minister is nodding, so I'll just move on to my next question.

There is going to be a lot of excitement right now, Madam Chair.

During Question Period, I have raised many questions about the Yukon Party proposal to rent campsites to RV users for an entire season, to be rolled out in time for the 2016 camping season. During these questions, more often than not, the Minister of EMR answered, which many found odd, as campgrounds are the responsibility of the Minister of Environment.

So, Madam Chair, which department started the exploratory phase of renting out season-long RV sites in Yukon's campgrounds?

Hon. Mr. Istchenko: The question that the member opposite asked came from the Department of EMR and that is because EMR handles the lands portion of land. Some of the answers that we gave in Question Period were about working with some of our faraway campgrounds. Every time we have a good example — we're doing infill right now — but good governance is when we go to our staff and say to our staff, "Hey, our campgrounds are full. What can we do?" They come up with lots of different options and the member opposite got a copy of something — an options document — from the Department of EMR. Then we sit down as a caucus and have that conversation and we haven't moved any further on that. What we've moved forward on is basically what the answers spoke to in the House and it was great that we got to debate that motion on accessibility because we got a chance to talk more about some of the stuff that we're doing.

If there's an option out there, we want to stay out of the private sector. There are a lot of RVs and RV campgrounds and a lot of them in my riding. They do great business; they have their own little niche activities at night and different stuff like that. But some of our faraway campgrounds — maybe some of our partners and First Nations want to help us develop bigger campgrounds and I think some of this stuff is an option because we see that Yukoners — not the travelling public or the tourists, but Yukoners — don't have an opportunity to have a cabin by a lake, for example, so they go to our campgrounds and they stay at Pine Lake for two weeks at a time, which puts a lot of stress on the camping sites in there. It's just an options paper and it came from EMR because EMR does lands. They negotiate; they work with the First Nations; they work with local municipalities and LACs and everything else when things come to land. They come up with some options and then we partner with the applicable departments that have campgrounds, which would be Environment, and then we move forward on looking at options. I think we'll see in the near future us going out to talk to Yukoners when it comes to campgrounds to say, "Hey, what are your thoughts? What can we do better? What are we doing great at?" They're busy.

Ms. White: Just to clarify — so this is the second time that it has been referred to as a caucus discussion and not a Cabinet discussion. Is this something that then happened through caucus as opposed to Cabinet?

Hon. Mr. Istchenko: Caucus discussions are initial discussions that we have before there are monies allotted for anything. They are just options. Quite often I've talked to the member opposite outside and she said, "Hey, why don't you do this?" That's a discussion and that's the kind of discussions we have. There have been no allotted monies for anything; nothing has gone to Cabinet or Management Board. These were just initial options papers that the department provided, whether it's in the Department of Tourism or the Department of Health and Social Services. We're always asking them for options because they're the site-specifics. They are the staff members who have the knowledge within the departments that can provide us some options on stuff. But it's just an option; there's nothing else.

Ms. White: When was Yukon Parks brought into the conversation as to whether or not this was something that the government should move forward with?

Hon. Mr. Istchenko: Just shortly after that conversation. Ministers will sit with their departments and ask for options and then when options come in, they say, "Okay. If this involves campgrounds or if it involves Tourism, we need to talk to Tourism; we need to talk to Environment," because that's where campgrounds fall underneath. That's how we roll.

Ms. White: On December 7, when I asked — and I'm going to read this directly from Hansard, so the question is the same: "... what was the rationale for the plan to lease RV spots and campgrounds for an entire summer, and who instigated it?"

The minister of EMR responded with — and I'm going to quote again: "I thought I was quite clear last week in my responses to this. I said this was part of our platform commitment to make land available to Yukoners, including recreational opportunities for Yukoners."

Madam Chair, does the Minister of Environment view the leasing of public lands in Yukon campgrounds to be similar to the sale of cottage lots or recreational land?

Hon. Mr. Istchenko: No, Madam Chair. When it comes to the Department of Energy, Mines and Resources, the minister could probably speak more to it — but when it comes to land availability, that's what the minister does — they talk about all kinds of different options. When it comes to campgrounds — our areas — there have been no discussions of leasing any of that land out to RV operators — none whatsoever.

Ms. White: In reference to the land availability the minister, two previous statements ago, talked about how Yukoners who don't have cabins by the lake currently spend time in Yukon's campgrounds where there is a maximum of 14 consecutive nights' stay currently. So in reference to that — and this is just following the responses I got during Question Period, which was making land available to Yukoners, does the Minister of Environment believe that, by following a program like this, this would follow the Yukon Party promise to make land available to Yukoners?

Hon. Mr. Istchenko: I think within our campgrounds that's not an option that we're moving forward with, but I did

state it two questions ago — you're exactly correct: Yukoners love the opportunity to be by water to go fishing and to take their kids by the water, and if there were opportunities somewhere else in the Yukon — not in one of our campgrounds — to lease spots for property, I bet you would get a lot of support from Yukoners and it would alleviate pressures within our campgrounds for the travelling public, for those with disabilities and for the tourists who are travelling up the highway.

I just want to speak a little bit to our campground attendants again. You can't say enough good things about them. They are the ambassadors for the Yukon. I know, from listening to Yukoners, we kept our campgrounds open longer. Some of our key busy campgrounds stayed open longer. We kept the staff at the visitor reception centres on a little longer. We partnered with Parks Canada. I worked with Parks Canada in Kluane to see if they could keep their staff on a little longer to make up for the — you know. Kudos to the Department of Tourism and Culture and this government for highlighting and putting budgets forward into our campgrounds and promoting the Yukon, and so our campgrounds are getting busier.

I look forward to more things moving forward, as we move forward with our campgrounds. You know, Tombstone is just a great example of something that has turned into a great success story. Yes, with successes come challenges, and that's why we ask for option papers from the departments and we move forward on some of these options.

Ms. White: I'm just going to rehash this just a little bit just for confirmation from the Minister of Environment.

On December 3, the Minister of Energy, Mines and Resources said in response to my question, asking if the government plans to go ahead with the plan to rent season-long RV spots for the 2016 camping season — and I quote: "No, this will not be anything that's considered for next camping season."

Can the Minister of Environment please confirm that there will be no long-term leases to RVs in Yukon parks for the 2016 camping season?

Hon. Mr. Istchenko: Absolutely. I sure can confirm that there will be no long-term leases in our campgrounds.

Ms. White: Madam Chair, in a response that the minister just said, he referenced other land than Yukon campgrounds. Is the Department of Environment looking at developing something next to Yukon campgrounds for RVs?

Hon. Mr. Istchenko: No. We're not.

Ms. White: I would like to move toward the Yukon Fish and Wildlife Management Board consultations that are kind of ongoing right now and specifically questions about Dall sheep.

The consultation document is, at times, incredibly technical, especially for a layperson like me, so I would like to ask the minister for clarification on some of the proposals put forward by his department. The Department of Environment has put forward proposals that the Yukon Fish and Wildlife Management Board is consulting on currently.

The first question I have is: Is the government proposing to turn the final four open-game management subzones —

these include the subzones around Trout and Alligator Lakes — in the eastern portion of game 7 management zone to permit-only hunting?

Hon. Mr. Istchenko: Yes, we are.

Ms. White: Is this in direct response to the outfitting concession that was reintroduced to the area after a 15-year hiatus?

Hon. Mr. Istchenko: I just want to clarify one thing: that concession is a very old concession. It was just re-awarded. The member opposite did speak to the fact that there was a 15-year hiatus when the outfitter was not in there. I think that the local hunters have been used to being in there so, for conservation purposes, that is exactly why this regulation change proposal came forward.

Ms. White: On page 10 of the consultation document, in the second bullet point below "Why is the change proposed?" — can the minister just give me a nod when they're on the right page?

In justification to the proposal, it says — and I quote: "Consistent with the quota guidelines, resident sheep hunters should be on permit where non-residents are on quota..." That is quoting from the document. Reading this line, it appears that the government is saying that, in game management zones where non-resident hunters are on quota, then resident hunters should be on permit. Earlier I shared a document with the minister, because it took me quite a while to find it online and then it took even longer to try to print it off. The document is called *Guidelines to Establish Outfitter Quotas*.

This is a really interesting document, because it was originally signed in 1995. I am just going to read a little bit about the introduction and the background of this document to put it into context. I am quoting straight from the front page of the introduction and background — and I quote: "In April 1993, Mr. Bill Brewster, the previous Minister of Renewable Resources, established an eight member Outfitter Quota Committee with representatives from the Fish and Wildlife Management Board, the Yukon Outfitter's Association, the Mayo District Renewable Resources Council, and the Department of Renewable Resources. This Committee was given the task of reaching an agreement on an approach and schedule of establishing harvest quotas for big game outfitting concessions.

"The Committee was responsible for consulting each outfitter and First Nation, and to achieve this, the Committee invited all outfitters and First Nations to a 3-day workshop in November of 1993. At this workshop, a number of principles and recommendations were drafted and supported. These principles and recommendations were then discussed at community meetings throughout the Yukon, and formed the basis for the outfitter quote guidelines, which the Committee recommended to the Fish and Wildlife Management Board in June 1995."

The reason I read that into the record is to show that this took quite a while. The consultation started in 1993 and this document has the signed letter of November 8, 1995. In reference to the page that says "Outfitter Quota Committee" and "Recommendations to the Fish and Wildlife Management

Board”, out of the nine recommendations, I am going to focus on recommendation 9.e). It reads — and I quote: “Notwithstanding the conditions stated above, if a sheep permit area is established for resident hunters, all outfitters who harvest sheep in that permit area should be placed on sheep quotas for that specific area.”

Reading this section, it appears to mean the opposite of the current consultation document, where the current consultation document says that resident sheep should be on permit where non-resident hunters are on quota. I wonder if the minister can please explain the discrepancy between these two statements.

Hon. Mr. Istchenko: When the member opposite read that — when I read it — it’s not right. It’s factually wrong, actually, and we have addressed that. I believe we have talked to the Fish and Wildlife Management Board about it. We’re following what the member opposite just read in (e) “Notwithstanding the conditions stated above, if a sheep permit area is established for resident hunters, all outfitters who harvest sheep in that permit area should be placed on sheep quotas for that specific area.”

We worked with the outfitter previously, actually, and talked to him about the quota thing, so the outfitter is on a quota, starting in 2016. He actually went on a voluntary quota, because he realized the issues with residents.

The document that the member opposite had a hard time downloading — I will look into that for the member opposite; seeing as how we updated the campground one really quick, but this one somehow seems to have a glitch in it. This is a document that we like and we work with, and there was just a bit of a typo, I guess, and some factually wrong information in that. I do apologize to Yukoners, because it created quite a stir and storm up front.

Ms. White: Just so the minister knows, the computers in our office are not super reliable or very fast, so I’m sure it will download for other people. It just didn’t download very well in the office.

Can the minister please tell me where I can see the change in language, or could he just read out the sentence, as it reads corrected, as opposed to in the document that I have?

Hon. Mr. Istchenko: We didn’t get a chance to correct it, but we had that discussion with the board, explaining to them that the print was wrong basically. The computer in my office is probably not much better than yours.

Ms. White: It’s good to know that is level. Can the minister just tell me what — I’m guessing it’s the line consistent with the outfitter guidelines. Is it possible to read me the difference or what the conversation was with the Fish and Wildlife Management Board, just so I can understand that we’re all on the same page now?

Hon. Mr. Istchenko: When we noticed there was a mistake in there, that’s exactly what we did. The department read from what we’ve read as (e) a couple of times and those are: “Notwithstanding the conditions stated above, if a sheep permit area is established for resident hunters, all outfitters who harvest sheep in that permit area should be placed on sheep quotas for that specific area.”

So that’s what we went through. We said, listen, we got it wrong, and here’s what’s right.

Ms. White: I thank the minister for that clarification, because it was a really interesting thing to read into and try to understand, because the two were completely opposite of each other. I learned some things that I had no idea I would be learning.

If the minister can talk about how many licensed sheep will there be in this game management zone, or are proposed to be in this game management zone, for 2016? What will the outfitter quota be that same area?

Hon. Mr. Istchenko: Maybe I’ll just highlight the process. The Fish and Wildlife Management Board regularly invites governments, First Nations, wildlife associations and the public to submit proposals to amend regulations, such as the one the member opposite was talking about, whether under the *Environment Act* or the federal/Yukon fisheries regulations.

With technical support from our Department of Environment officials, the Yukon Fish and Wildlife Management Board determines which proposals would move to public consultation. Public consultation, which we’ve just spoken to, commenced during the months of November and, this year, the board is currently consulting on 15 of the proposed regulation changes. I can’t comment on the numbers because they’re not finished. The board is still deliberating and having those discussions so we wait for them to have their discussions and then they come and they make their recommendations back to the minister. We’re still in that, for lack of a better word, “consultation” and that process.

Ms. White: I’m going to ask the minister to indulge my ignorance as I am not a hunter so I have other questions. They may make a lot of sense or they may not, and I’m happy to give clarification on it.

Talking to any of my hunter friends, the most exciting thing is to hunt and to bring home is sheep. It is the number one thing. At the wildlife banquet, it’s the most sought after menu item and it’s a big deal. The other game management zones for Dall sheep — are they all permit hunts?

Hon. Mr. Istchenko: No, there are a lot of open areas.

Ms. White: Are Yukon outfitters who operate in different areas of the territory — are they on quotas for sheep in their concession areas?

Hon. Mr. Istchenko: No, they’re not on quota. The only existing ones are from the 1980s. I think to speak to the process of exactly this regulation change proposal and how it came forward — there’s a conservation issue. That’s when we start talking about the outfitter and then the resident hunter permits.

Ms. White: I’m going to guess that this would kind of be more of a blanket for other animals as well.

Does that mean outfitters are able to harvest any number of eligible animals within their concession areas — there’s no maximum number?

Hon. Mr. Istchenko: The outfitters pay really good attention to the full-curl rule and the age limit on it. I’ve known a lot of outfitters over the years and they manage their

areas quite well. It's within their best interest to have robust groups of sheep or any other animal in their area.

Ms. White: I was doing a little bit of research in the last couple of weeks and looking at the licensed big game harvest statistics report numbers of animals taken by resident and non-resident hunters. It was educational in the fact that non-resident hunters get more of these numbers — or these animals.

So with sheep we had 96 harvested by resident hunters and we had 140 harvested by non-resident hunters; mountain goats, we had three harvested by resident hunters and we had 12 by non-resident hunters; grizzly bears, we had 24 by residents and 41 by non-residents; and wolves, we had 22 by residents and 32 by non-residents. Is there a reason why, especially in the sheep and the goat category, those numbers are so different between resident and non-resident hunters?

Hon. Mr. Istchenko: Yes, to address the member opposite, it has to do with accessibility. If we look online at the hunting concession areas, most of the areas that the big game outfitters are in are way in the back country. They ride in by horse or, following the *Wildlife Act*, they fly clients in way into the back country where it is not accessible to locals. That is the main reason why we see more for the outfitter.

Just for the member opposite, the sheep harvest management relies on harvest rate guidelines of no more than four percent of an adult sheep population and we are constantly collecting data and flying in and looking at numbers of sheep. I had a great conversation with one of the local outfitters from the Member for Klondike's riding about sheep and this year his numbers are way down. He is managing his population — Mother Nature — sometimes we get heavy rains in mid-winter, which creates slippery slopes; there are predators on the animals in the spring. Sometimes they don't fare well and then we see that with the eight years old and the full curl rule — down. So they'll limit some of the hunts that they do and they won't take as many animals as they normally would.

Ms. White: When the minister was just saying that the discrepancy in the numbers sometimes has to do with accessibility — is an outfitter able to limit the access to a resident hunter in an area?

Hon. Mr. Istchenko: No, Madam Chair.

Ms. White: So, a resident hunter is able to fly into these concession areas and is able to camp pretty much wherever they want? They won't be limited by the outfitter that is in the area?

Hon. Mr. Istchenko: Yes, they are able to fly in and do whatever — I'm an active hunter; I don't usually camp beside hunters who are camping, but I pick an area and there are no rules or anything.

Ms. White: How does the government establish harvest rates for resident and non-resident hunters? What policy does it follow? Are the policies publicly available or is it at the minister's discretion?

Hon. Mr. Istchenko: For the member opposite, with caribou and moose, 25 to 50 percent is what the outfitter harvest is, and when it comes to sheep, it's usually 30 to 35

percent. But I will add again that when we fly and we do sheep surveys, we work with the outfitters, local First Nations and local renewable resources councils. That's why if there is an issue like sheep in zone 7, you would see a regulation change proposal come forward and that's when we would go to a quota — if there is an unhealthy population.

Ms. White: How do Yukon's ratios of resident to non-resident hunting compare to other jurisdictions like BC, Alberta and Alaska?

Hon. Mr. Istchenko: I don't have exact numbers, but basically all jurisdictions share, and — just hang on a second. I have to — sorry, Madam Chair. Generally, like in BC, the non-residents get less, but they share.

Ms. White: How is data about game animals gathered and reported? At the recent meeting that we attended, one of the concerns was that information from outfitters' game animal harvests is protected under ATIPP as it is proprietary.

So I will leave those two questions and then respond to that.

Hon. Mr. Istchenko: The outfitter has mandatory reporting. We don't release the proprietary stuff. We won't release exactly where the best berry patch is right next to the member opposite's house — then everybody is going to be on the berry patch — but the broad numbers we will release, if the member kind of gets what I'm saying.

Ms. White: Sadly, she doesn't. So if the minister can elaborate on that.

It was our understanding at the meeting that the number of animals harvested in a hunting concession is actually — we can't even ATIPP it. It's not publicly available, because it's protected as it is proprietary. So I'm just trying to find out if that is an accurate portrayal of how it works.

Hon. Mr. Istchenko: The outfitter has to do a mandatory report and, like in the hunting synopsis, with the broad-based information — a bunch of game zones together — those numbers are public, but the specific numbers, just like for a wilderness guide, through tourism — that information is protected under ATIPP too.

It's just so the business has a bit of security on what they do and how they go about doing business, but for the broad base numbers, you can read it in the hunting synopsis — you'll see the general numbers.

Ms. White: That is clearer, and I appreciate the clarification from the minister.

So that means then that the numbers are reported to the Department of Environment so that you're able to be sure wildlife management plans are based on accurate information? That's excellent. The minister just nodded to that, so I will move on.

There was a report recently released in *ScienceDaily* about large-scale hydroelectric dams in Yukon and the concern they had over fish. You can find the report online at sciencedaily.com. I'm just going to read a couple of paragraphs from this. It's about fish distributions, populations and habitat. Then I have some questions for the minister.

So this is directly from the report — and I quote: "One of the key concerns about the Yukon government's plan is that

scientific knowledge of Yukon fish species is very limited. We lack information on distributions, population ranges, population sizes and the high-value habitats for most fish species, with the sole exception of Chinook Salmon.”

It goes on to say: “These large knowledge gaps for most fish species can only be filled with an extended period of intensive study, which should happen in consultation with governments and communities, prior to any decision to build a dam. Studies need to be carried out over a long enough time frame to capture the full range of natural variation in these ecosystems. No typical environmental assessment of a development project, such as those that have that been prepared for the Yukon Environmental and Socio-economic Assessment Board, will meet this requirement or be able to fill these gaps.”

So my question to the minister is: How does the Department of Environment respond to these concerns? Is there a plan to improve Yukon’s knowledge of all fish species? If so, how do they plan to go about it and when do they plan to start?

Hon. Mr. Istchenko: As we know, the Yukon is a pretty big place. For the Department of Environment — for our staff — baseline knowledge is foundational to any proposed project. As we know, through the regulatory processes, any major project will take time. Every year our budgets are out. We survey lakes and rivers. We have a state of the fish report that we have published. We also have the fishing regulations for some of the more active lakes.

Basically, a high-level project or a big-scale hydropower project will create a bunch of work for the Department of Environment. The Department of Environment will do their due diligence up front. It will take time for a major project to move forward. We’ll have to task out budgets to work with, and we’ll work with the proponent — whether it’s a First Nation or whoever is coming forward with that opportunity — to gather some baseline data and gather some information so that we have it so the correct decisions can be made with all the partners — with the communities, with the First Nations and basically with all Yukoners.

Ms. White: My question — I know I referenced the dam, which was probably my mistake off the start. What this report says is that Yukon government doesn’t have the full understanding of fish in the territory like we do — so we understand chinook salmon, but we don’t understand all fish populations in the same way. I guess the question is: How does the minister and the department plan to respond to the concerns raised by two fish biologists who say Yukon government doesn’t know enough about fish populations in the territory?

Hon. Mr. Istchenko: I think I started to answer that in the House today, and I gave it some more thought after Question Period. That is exactly what we do. Some of these lakes that are in the middle of nowhere — that are not accessed — we don’t have numbers on those. What we do have numbers on and what we do in the department is, we put our budgets toward those lakes that are quite active with Yukoners — or if there is a proposed project —

notwithstanding the fact that, if a Yukoner, a local resource council, or a First Nation elder who lives in the backcountry, brings to our attention that a certain lake that maybe not many people have gone to doesn’t seem to have any more fish in it — they will bring it up with the local resource council or with the local First Nation or at an elders council meeting, and then they’ll get a hold of the department and we’ll go in and do the due diligence to look at it.

I think what needs to be brought on the floor of the House today is the fact that, for example, one of the regulation change proposals for Pine Lake was on no retention of fish. A biologist came, because they study — because that’s an active lake that has a very popular campground; there are some residents who live around there — and the local resource council brought it to the attention and so a regulation change proposal came forward.

When the regional biologist came to the community, I went to those meetings and the conversation from the community was, “Okay, so we need to see how many fish we have.” So we looked at the fish. We know the department has great knowledge that a lake this size, of a certain volume, should have this many fish. The regional biologist goes out and then we do the study and they’re the experts on how to get those numbers, so they go out and get the numbers and, if the numbers are low, then we move forward. But the residents ask him questions like, “Well, what are you going to do about it? Are we going to look at the spawning beds for the fish? Is that why it is or is it because there are beavers that have dammed up the creek down below?”

That’s some of the work that we do ongoing, but we might have to work with different biologists on this work and work together. When it comes to any sort of issue-related stuff, we put our resources to it; we change our budgets when we hear from the communities and hear from First Nations; we’ll identify monies in our budget to gather that data so that we can make sound decisions basically.

Ms. White: I thank the minister for that. He has just given me the opportunity to follow up from the question today in Question Period about the fertilized lake trout eggs in the bottom of open lakes. The concern that I understood from the same meeting was the Department of Environment stocks closed-lake systems, like pothole lakes. So we have Hidden Lakes behind Riverdale, for example. It’s great, but those systems are closed off so there are no rivers or streams going in and out, which means that population is caught within that environment.

Having heard that there has been the suggestion — and from my understanding, the pilot program this summer — of doing in-lake incubation in open lakes — is there not a concern from the Department of Environment about affecting the natural fish population for those open lakes and the systems that they feed?

Hon. Mr. Istchenko: I think I spoke a little bit in the House today about our policies. The Yukon Fish and Wildlife Management Board did a lot of work on fish farming, which is a total separate thing, but there has been a lot of work done in the forefront and that’s why we have our policies.

When it comes to the issue that the member opposite is talking about, we're not talking about bringing fish in — not being “me” — it's the community; it's the resource councils; it's the regional fish biologists having these conversations, seeing if we can find solutions to the low fish numbers in this certain lake. We're talking about the fish in that lake and one of the conversations is exactly that. One of the other conversations is maybe the spawning beds need to be rehabilitated, maybe the beaver dams in the river below — so that's just one of the many questions.

If the member opposite goes to a local community meeting — there's a lot of local knowledge there. Yukoners say, “Well, I remember the grayling used to go through that culvert, but they don't anymore.” The great thing about having the Department of Environment — and our technicians and our expertise — is they will address and listen — with the management board — and have conversations, whether it be at the management board level, to look at a broad base across Yukon or just a local site-specific area — are there other options?

A lot of the locals at those meetings say, “So, you are closing it. What are you going to do next?” “Well, we'll come back in 10 years and study it.” “Well, is there anything else we can do in the interim?” It would be good, and it is good, that the department is doing due diligence and taking the experts, like our fish biologists, and work with the community to see if things work — what will work and what won't work. To clarify, we are not looking at bringing other fish from any other system to put in that lake. We are not looking at stocking the lake with other fish. We are just looking at rehabilitating the low population. It might be restoration of spawning beds. It might be a better spawning recovery, like the member opposite is talking about. There are no exact plans. We are in the initial stages of having that conversation.

Ms. White: I thank the minister for that. Just to confirm, the in-lake incubation pilots that happened were fertilized trout eggs from fish from those lakes. They were fish natural to that environment. I will just give the minister a chance to verbalize that and then I will move on.

Hon. Mr. Istchenko: Yes, absolutely. They were natural fish from that lake.

Ms. White: Excellent. I thank the minister for that.

There was just one other thing that I wanted to follow up on and that is the Fish and Wildlife Management Board consultation. It was the proposal by the department to increase the tag prices for resident hunters. My question for this is about resident hunters who are often hunting for subsistence. They are hunting to fill freezers, to feed families and to feed our communities. By increasing the tag price for subsistence hunting, it seems almost like a tax on wild meat. Why hasn't the department looked at, for example, doubling trophy fees for non-resident hunters if we are looking at generating more money within the Department Environment? Why aren't we looking at increasing our fees for non-resident trophy hunters as opposed to subsistence resident hunters?

Hon. Mr. Istchenko: This wasn't a revenue-generator for the department by any means. This was just to bring the

price on tags in line so that they were all the same price. Our bison and elk tags used to be \$50. They are down to \$10. When it comes to the big game tag prices, that is a conversation that we are not having right now and I don't foresee it in the near future. This was just simply for the department to align our prices so everything was kind of standard across the board.

Ms. White: In May of this year, I was asking questions about the Freegold Road extension. I quoted an ATIPP document that I got from the Department of Environment. I am just going to read that same quote and try to find out the status of this. This is through an ATIPP document — and I quote: “If the road is constructed, is expected to result in significant and unmitigatable impacts to the caribou population. This has been and continues to be our primary concern with the proposed construction and all-season use of the Freegold Road.”

Part of the concern was that, between the Department of Environment and the Department of Energy, Mines and Resources, the Department of Environment wasn't able to champion the importance of the caribou — the caribou grounds and the Freegold Road extension project. The minister said — and I'll just refresh his memory a little bit, and then just ask what the status of that project is. In response, on May 5, he said — and I quote: “When it comes to the Klaza caribou population and habitat ecology monitoring, we have been doing this for the last few years. They are located in south-central Yukon, and that is included in where the Casino mine location is. Significant, previous and ongoing work has been done on monitoring, and we will continue to determine their range use and the population attributes.”

My question is — this was in May, so I imagine things have changed — if I could get a status update from the Minister of Environment to the Department of Environment's concern around the Klaza caribou herd and where we stand today.

Hon. Mr. Istchenko: In 2012, of course the Department of Environment began — the member opposite spoke to it — the multi-year study of the Klaza caribou herd and its range to address some of the concerns about how industrial development in this area could affect the herd.

The department is leading a large-scale study, which does include — which is really good to see — our partners, which is the industry, to collect and share coordinated data. That sure helps when it comes to gathering data, flights and surveys. The complete study will provide some of the detailed seasonal habitat use information. It will update the estimated size of the herd and some of the demographic information, such as the calf recruitment, calf survival and an assessment of the risk to the herd.

The survey completed in 2012 estimated the herd size at just under 1,200, and some of the relevant ecological information that we're gathering right now — because of the industrial activity — is still mostly at the exploration phase. As more advanced work and proposals are brought forward, this information will be available for environmental assessment and process. But, before this project, most of the

Department of Environment's information related to the Klaza caribou herd was over 20 years old, so it's great that because of industry we have some great new numbers that we can use.

We deployed 45 GPS radio collars on the caribou herd, using operational funds and short-term cumulative effects funding, and that is going to help us to really gather data and share it. We also acquired some high-resolution satellite imagery and conducted field studies to assess the land cover mapping accuracy and to estimate the lichen distribution and the abundance.

As we move forward, we are going to gather as much information as we can, but through this process, we will work with the local First Nations and the local resource councils, providing the knowledge and information that we have here and work with the mining company and the industry on trying to mitigate as best as possible any issues that come up with the Klaza caribou.

Ms. White: Madam Chair, I thank the minister for that response and I look forward to following it along.

There was a press release in November about no hunting of the Hart River caribou and I think that is a really important thing. The Yukon government ordered an emergency closure of the five game management zones to protect the herd, which, for the first time in a great number of years, has more merged into the Porcupine caribou herd and come closer to the Dempster Highway. I thank the department for that and I thank them for their forward thinking on that act.

I started looking into the Hart River caribou herd and then I started looking at the bigger picture, of course, which is the Porcupine caribou herd. So I have a couple questions about that and then I think we'll be done for the day.

I think it's important to point out that the Arctic National Wildlife Refuge — I mean it's not as on solid ground as it used to be. I mean, there's a website — that's ANWR.org. That's a website of people who are actually trying to actively get oil out of the area. It's very similar to the protection websites in the same way. I was doing a little bit of reading and understanding and also learning from the Member for Vuntut Gwitchin.

The *Harvest Management Plan for the Porcupine Caribou Herd in Canada* was developed out of the 1985 *Porcupine Caribou Management Agreement*. This agreement was signed before the final agreements and it doesn't take those realities into account, so it doesn't look like the Yukon of today. The management agreement doesn't recognize the rights and responsibilities of our territory's self-governing First Nation governments and their legal jurisdiction over their lands and resources.

So my question to the minister is: Is there any intent or willingness on behalf of the Government of Yukon to revisit the 1985 *Porcupine Caribou Management Agreement*?

Hon. Mr. Istchenko: I do thank the member opposite for the question. Actually, I have had a few conversations with the Member for Vuntut Gwitchin also. I just had a really interesting briefing on the Hart herd and the Porcupine caribou herd, which was — I wanted to be a little bit more briefed on it because, as we know, this is the first time in five

years that we've seen the caribou to the road so I'm sure everybody's been following the media on the latter portion of the north Dempster and some of the activities that were going on up there. It's good that the member asked this question, because I'm going to address something in here. I just think the ethical hunting practices are key and I'm so proud of Yukoners — First Nations and non-First Nations on how we harvest this area, but there still are issues and I'll be working — I'm looking forward, now that we have a new government in Northwest Territories, to having a conversation with them.

There was quite the demand and an increase in harvesting, which meant I had to — there were some funding pressures, so we had CO presence up there constantly and we actually had some of our campground — I call them campground cops — enforcement people in campgrounds actually extended to go up and help with that, which was good. I know we're under pressure within the department; when it comes to conservation officers, we're looking to fill a few more positions.

The population is a very healthy population. It's estimated around 197,000. The herd monitoring is a collaborative effort between the department and of course the Government of Northwest Territories, the Alaska Department of Fish and Game and federal jurisdictions, such as Environment Canada and the United States Fish and Wildlife Service. We do have a plan in place and actually we've been working quite successfully with all the partners on this plan as we move forward on it.

We're not at the stage of opening anything or doing anything. I think we're just working with our existing partners when it comes to the Porcupine caribou herd. They do a lot of monitoring. There is a lot of input from the different jurisdictions. We look forward, as we move forward, to continuing to support our partners on things that arise with it and we'll keep working with the key players on this.

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

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

Motion agreed to

Chair: Pursuant to Committee of the Whole Motion No. 12 adopted earlier today, Committee of the Whole will receive witnesses from the Yukon Development Corporation and the Yukon Energy Corporation. In order to allow the witnesses to take their places in the Chamber, the committee will now recess and reconvene at 3:30 p.m.

Recess

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

Appearance of witnesses

Chair: Pursuant to Committee of the Whole Motion No. 12 adopted on this day, Committee of the Whole will now receive witnesses from the Yukon Development Corporation

and the Yukon Energy Corporation. I would ask all members to remember to refer their remarks through the Chair when addressing the witnesses, and I would also ask the witnesses to refer their answers through the Chair when they're responding to the members of the Committee. I would also ask the witnesses to indicate who will be responding to the questions so that I can have your microphone turned on.

Mr. Cathers, I believe you'll be introducing the witnesses.

Witnesses introduced

Hon. Mr. Cathers: Madam Chair, it's a pleasure to welcome here to the House witnesses from Yukon Development Corporation and Yukon Energy Corporation. They are Joanne Fairlie, chair of the Yukon Development Corporation Board of Directors; Justin Ferbey, who is the new president and chief executive officer of Yukon Development Corporation; Kells Boland, who is chair of Yukon Energy Corporation Board of Directors; as well as Andrew Hall, who is the president and CEO of Yukon Energy Corporation.

For Joanne and Andrew, this is not their first visit, but for Kells as the new chair of Yukon Energy Corporation and for Justin as the newly appointed president and CEO of Yukon Development Corporation, this is their first opportunity to attend here. I would like to thank as well Greg Komaromi — who is the former president and CEO of Yukon Development Corporation, up to his retirement — for his excellent work during his time there, and George Ross for serving on an interim basis as well as president and CEO.

I would also like to acknowledge and thank Paul Birckel, as a former member of the Yukon Development Corporation, for his commitment, and the past chair of Yukon Energy Corporation, Piers McDonald, for his work as chair at that time.

With that, I will turn it over to the witnesses.

Chair: Thank you, Mr. Cathers. Would the witnesses like to make an opening statement?

Ms. Fairlie: Madam Chair, it's our pleasure to appear this afternoon. Collectively, we represent the Yukon Development Corporation and the Yukon Energy Corporation. Kells Boland, chair of the Yukon Energy Corporation, and Justin Ferbey, president of Yukon Development Corporation, are the new and very welcome additions to our team.

Energy is a controversial and complex topic. There are no easy solutions. Each method of providing energy brings many trade-offs. No solution is perfect. It will take time for us all to become educated about the advantages and disadvantages of the many types of energy production. Much due diligence is required to examine the feasibility of potential projects and to plan for both the shorter and longer term winter energy needs of Yukoners. Some of this due diligence will be achieved through the implementation of the government's IPP policy, some will be achieved through Yukon Energy's resource planning initiative, and some will be achieved through the hydro planning directive.

Since our last appearance before this Committee, YDC has held a number of public events to keep the public engaged in the work being done in response to the hydro planning

directive. To date, we have hosted three fairly intense two-day workshops and public evening events, during which we have shared a number of technical papers. We also held a two-day First Nation energy forum and a public evening event.

All of these events were well-attended, with a wide variety of viewpoints being shared by the participants. In addition, we met with First Nations and communities near the potential project sites and continue to seek partnerships with the affected First Nations. Board members, as well as staff, attended each of the events to ensure that they had an opportunity to hear what people had to say.

Yukon Development Corporation continues to work with and support its subsidiary, Yukon Energy Corporation, with projects such as permitting and engineering for the upgrading and reconstruction of the transmission line between Stewart Crossing and Keno City. Yukon Development Corporation and Yukon Energy Corporation are diligently working to ensure that the necessary energy infrastructure is in place for both the shorter and longer term benefit of all Yukoners.

I thank you for the opportunity to make my opening remarks. I will now pass the baton to Mr. Boland, who will provide you with an update of Yukon Energy Corporation's activities.

Mr. Boland: I am the new chairman of Yukon Energy Corporation, but I have actually been on the job for a year now. I would like to take a few moments to provide some introductory comments, which are what I have learned over the last year and which I am using to provide the guidance to our board of the planning process that Yukon Energy Corporation is undertaking, the integrated resource plan, which will look at supply options over the next 20 years.

What I would like to talk about, just briefly, is in terms of the strategic envelope within which Yukon Energy Corporation will be developing that plan. To start with, as everyone knows, Yukon Energy Corporation is generating 99-percent renewable energy. That is a far sight better than either of our northern neighbours — NWT or Alaska. We are on the knife's edge of that capacity, and that capacity is about 92 megawatts of hydro power. We are on the knife's edge of that capacity. Just normal load growth, not to mention any new mines, and we will overwhelm the current capacity.

Right now, YEC is planning for 20 years' energy supply and load-demand balance and the new investment that will require. That investment targets more renewable energy sources — wind and hydro. In southern Canada, those would be more easily incorporated with interconnected grids that allow energy shortfalls or surpluses to be balanced among multiple adjacent jurisdictions, but we won't have the luxury of backing up windless days with power purchases from BC, so the integrated resource plan, which is underway now, of necessity will be a stand-alone, made-in-Yukon energy supply solution for the next 20 years.

That means YEC will be pushing the strategic envelope with new storage technologies that our isolated grid — and that's a key: we are an isolated grid — will require to back up the next 20 years of renewable power generation in Yukon. That is what I have learned over the last year, and that's what

I will be taking forward with my board in the governance of the integrated resource plan that Yukon Energy Corporation now has underway.

Mr. Tredger: We welcome our guests to the Legislature. Thanks for taking the time out of your day and for the briefings and the interactions we have had. I would also like to acknowledge staff member Janet Patterson for her attendance once again and thank you for being here.

I will get right to our questions. My first series of questions is around the financing and YDC's debt load. In the 2014 annual report, it shows that there is \$5.5 million due within one year on \$126 million of long-term debt. Can the officials inform us when the bond is due and what is the number of years until the bond is fully paid off?

Mr. Ferbey: Madam Chair, the 2014 consolidated financial statements indicate that our debt load is \$155 million. That is comprised of a \$98-million bond, in addition to roughly \$21 million held by financial institutions — the TD Bank. It also includes financing, or debt financing, from the Tr'ondëk Hwëch'in, Na Cho Nyäk Dun and of course LNG, and monies toward the Carmacks-Stewart transmission line. The current portion of the debt is \$4.5 million and, in relation to the bond, it's a 30-year bond with an interest rate of five percent. The entire interest, over the course of that bond, will be paid at \$150 million.

Mr. Tredger: Does that bond cover the entire long-term debt — the \$155 million — and then it becomes due in 30 years? During that time, we are only paying the bond payments, but nothing on the principal, so in 30 years' time, there would be a debt of \$155 million, our remaining capital?

Mr. Ferbey: Madam Chair, the bond is included in the long-term financing. The actual capital structure of the bond was \$52 million, which was the contribution; \$14.6 million was an equity investment; \$21.9 million is a flexible debt instrument and \$11 million is long-term financing. At the conclusion of the bond, it is contemplated to be refinanced.

Mr. Tredger: There are some limits on the amount of money that YDC can invest in dollar figures. I believe there might be a ceiling of \$300 million in actual costs. Could the guests clarify that, and also aligned with that, the utility has a policy that defines its capital structure at a ratio of 60-percent debt and 40-percent equity. This policy has been reviewed and accepted by YUB and, later in the Yukon Development Corporation's statements, it says that, due to the expectation of increased capital requirements in 2015, the utility has decided not to declare a dividend in 2014 to increase the December 31, 2014, total debt to a total capitalization ratio of 60 percent.

Can the officials outline how that is affecting our ability to move forward and meet our new energy requirements?

Mr. Ferbey: Madam Chair, within our operations, and of course through our mandate letter and strategic plan, we have an ongoing relationship with YEC that provides, within the relationship, sustainable assistance for the organization. In terms of the debt, we now fall under the fiscal financing framework of the Yukon government, and our debt is taken into consideration under this fiscal framework.

We have to fit within this and of course be subject to the same constraints and of course oversight that is associated with a cap that isn't finite. Thank you.

Mr. Tredger: So can you explain what capital projects or capital requirements you're anticipating in 2014 that would necessitate not declaring a dividend?

Mr. Ferbey: I will pass it over to Yukon Energy Corporation in a second, but the capital projects that we have financed in 2014 — I believe the bond was in issuance in 2014 that did provide for financial support toward the LNG project. Thank you.

Chair: Mr. Tredger, I would just remind you to address your comments to the Chair.

Mr. Tredger: Madam Chair, in the 2015-2020 strategic plan for YDC, one of their goals was to clarify the financial parameters for investments in large hydro and now we're considering a next generation hydro. Can the witnesses tell us if your financial parameters been clarified and what does that mean in terms of your participation in a major project?

Mr. Ferbey: Madam Chair, the work that has been completed to date are tabletop studies that identified 200 sites — have been screened down now to six. That work ultimately looked at a number of screening exercises, of course one of them being financially viable. The ongoing work that we will do will have to include looking at the financial modelling and capital structure. At this point, that would be in a step further in our planning process. Thank you.

Mr. Tredger: Madam Chair, previously the YEC may have had some comments on the investments, but this one can be directed. The YDC strategic plan item 4 is to: "Ensure that the Yukon Energy Corporation may conduct such borrowings as it may require."

What borrowings does YDC or YEC anticipate that its wholly owned subsidiary will need to do and whose authority is required to ensure that they can go ahead with that?

Mr. Ferbey: Madam Chair, at this point we don't foresee additional borrowing from YEC. As I mentioned, our borrowing comes under the fiscal framework of the Yukon government that requires all of the Management Board submissions and the appropriate approvals so that ultimate comes from — our fiduciary role is with the Yukon government, so that ultimately comes from the Yukon government; our ability to bring forward financing or borrowing or collateralizing — that goes through the Yukon's fiscal framework and is subject to all of those authorities. Thank you.

Mr. Tredger: Is that a new development? In the past, YDC was responsible for their financial obligations. Now it must go through ministerial approval?

Mr. Ferbey: Madam Chair, I believe that amendment was last year. It was called Bill No. 77 and established our responsibilities to fall within the fiscal framework.

Mr. Tredger: An MOU between Yukon government and YDC regarding Mayo B and Carmacks to Stewart line in 2011 to 2042, Yukon government is assisting and funding the repayment of bond interest, which costs about \$2.6 million a year.

Again, can you repeat the total debt that YDC is responsible for, including YEC debt? What portion of that debt stems from your involvement with Mayo B?

Mr. Ferbey: The consolidated financial statements indicate that our debt obligations are \$155 million. Of that, there is a bond of \$98 million which is associated with the Mayo B project.

Mr. Tredger: Thank you. In the general rate application, some capital projects have been built since the last general rate application. Which large capital projects have not yet been calculated into the current actual cost of power?

Mr. Hall: I would note for the member that this is all capital spending that has been completed since last year. It is by definition not included in rate base at the present. This will be added to rate base in the next GRA. This would include the large capital projects that the member refers to, but also our annual maintenance and capital spending. Some examples of large projects would include the LNG project and the Whistle Bend and Takhini substations, which were both completed.

Mr. Tredger: I thank him for that answer. Has the YEC had discussions with the minister regarding the timing of the next general rate application?

Mr. Hall: At this time, we have discussed potential timings of the next general rate application with our board and with our parent company, YDC. We don't have any confirmed plans at this time about the timing of our next GRA. I would note that approval for Yukon Energy Corporation to proceed with the GRA requires approval from both our board of directors and by our parent, YDC.

Mr. Tredger: When will the Yukon Development Corporation or Yukon Energy Corporation make an application for the next general rate application? Do you, at that time, anticipate an increase and, if so, how much?

Mr. Hall: As I said before, we don't have any confirmed plans at this time regarding the timing of our next GRA. With regard to the second question related to whether we anticipate an increase in rates, the calculation and approval of electrical rates in a general rate application is dependent on a number of factors. That includes not only costs, but also the future load or kilowatt hour sales over which those costs are spread. At this time, given that we haven't started preparation for the GRA, I don't want to speculate on what future rate movements might be.

Mr. Tredger: This may be more relevant to Yukon Development Corporation, but how often are general rate applications normally made? If the Yukon Development Corporation is the entity that needs to give approval for beginning one, when does the Yukon Development Corporation anticipate the application? Have they had discussions with the minister regarding the timing of that?

Ms. Fairlie: The Yukon Development Corporation would respond to a request from the Yukon Energy Corporation and we have not yet received a request from Yukon Energy Corporation regarding a rate increase, so I can't speculate as to timing on such an event.

Mr. Tredger: How often are general rate increases typically sought? When was the last one and perhaps the one before that will us some sense of the timeline.

Ms. Fairlie: I'm going to defer to the Yukon Energy Corporation because I'm not sure of the timing of the last one.

Mr. Hall: The last GRA was in 2011, I believe. We've gone for periods of 10-plus years without GRAs. It all depends on the circumstances of the business.

Mr. Tredger: Madam Chair, what sort of timeline is required to gather the information needed for a general rate application and has the process been started yet?

Mr. Hall: The time frame would be three to six months, typically, to gather the information and prepare the documentation and we have not started work yet.

Mr. Tredger: One final question on that: Has there been any request for delaying the application?

Ms. Fairlie: Not to my knowledge.

Mr. Tredger: From Yukon Energy Corporation?

Mr. Hall: Madam Chair, we've received no such request.

Mr. Tredger: Yukon government pays to a maximum of \$3.4 million a year for an interim electrical rate rebate. To the best of the witnesses' knowledge, are there any changes planned to this program?

Mr. Ferbey: Madam Chair, to the best of our knowledge, there are no changes to this program. Thank you.

Mr. Tredger: Just a couple of questions around Mayo B. Can the witnesses tell us the total cost of the Mayo B project? How much was paid by Building Canada, how much by Yukon government and how much by Yukon Development Corporation?

Mr. Hall: Madam Chair, the totals were \$120 million for Mayo B; \$40 million for the associated Carmacks-Stewart transmission line phase 2 project. The financing of that total of \$160 million was broken out as follows: \$71 million from the federal government's green infrastructure fund; \$52.5 million from Yukon Development Corporation; \$36.5 million went into rate base — so the total being \$160 million.

Mr. Tredger: Has the Mayo B project been operating at full capacity? What is the cost per operating megawatt?

Mr. Hall: I'm happy to present some information on the performance of Mayo B because there seems to be some misunderstanding out there about the performance of plants. I'm happy to provide some numbers.

In 2015 year-to-date, 58.3 gigawatt hours were generated by Mayo B and 15.5 gigawatt hours by Mayo A, for a total year-to-date of 73.8 gigawatt hours. In terms of where it is operating as per design, Yukon Energy is part of our part 3 energy certificate application to the Yukon Utilities Board. I presented the forecast generation for the plant, and I would refer the member to figure 2 on page 29 of our application, for their pleasure. The forecast net increase, or contribution, for Mayo B in that chart ranges from the low teens in gigawatt hours up as high as 41 gigawatt hours. So you can see that Mayo B this year is actually exceeding the forecast generation, as presented in figure 2 in that regulatory application.

Overall, I would say Mayo B is producing what we expected on an energy basis.

Mr. Tredger: Do you have a way of generating the cost per megawatt? I'm not sure of the exact terms. I know at the workshops they were talking about the localized cost of energy, but is there a standard rate where you would compare how much was invested and how much megawatt capacity is provided?

Mr. Hall: In that same part 3 application, the levelized cost of energy, which I believe you are referring to, was presented and, from memory, I believe it's around seven cents per kilowatt hour. As you can imagine, for a hydro facility, those are mostly related to the upfront costs, the capital costs. The operating costs of a hydro facility are typically very low.

Mr. Tredger: Last week, the minister responsible for energy said in the Legislature that the decision to proceed with Mayo B was based on the recommendation of Yukon Development Corporation. Could you describe the process followed to arrive at that recommendation? What parameters from the government influenced the recommendation and were other sources of renewable energy considered?

Ms. Fairlie: That's a very difficult question for me to respond to because I was not a part of the board of directors of the Yukon Development Corporation at the time that decision was reached. I don't have the information in front of me. However, we would be happy to look through the records and provide you with that information at a later date.

Mr. Tredger: I thank the witness for her answer.

There appears to be a lot to learn from Mayo B before the next hydroelectric project. There are technical lessons, in terms of hydrology, the water level fluctuation, icing and downstream capacity. There are improvements in the technology in various alternate sources. There are financial lessons to be learned. A wind study, perhaps, was shelved and chosen in a different context. There was a full analysis of options available.

Does the YDC agree that an audit of the Mayo B project would be useful?

Ms. Fairlie: I'm not sure that I would say an audit. I do know that the Yukon Energy Corporation monitors Mayo B on a regular basis to see that it's performing appropriately, and we would rely on information from there.

Certainly lessons were learned from the way planning was done in the past. In the past, there wasn't as much knowledge as there is today. We have a much broader scope of knowledge around the impact of decisions regarding energy today than we did in the past, and we will be looking at all of that in any decisions that we make in the future.

Mr. Tredger: I thank the witness for her answer.

One of the concerns that people in my jurisdiction have about government is, quite often, government gets into silos and one hand doesn't know what the other one is doing, so a number of my constituents raised a concern about the planning process that YEC and YDC are entering into. My understanding is that YEC will look at energy requirements for the next 20 years and then, in the future, YDC is

conducting another study on the next generation hydroelectric project, or needs, in 30 to 50 years.

How are YDC and YEC compensating for this division in the planning process? How are they integrating the various studies and what constraints does that put on the planning process? It seems a rather redundant way to go about it, but I wait for explanation from the witnesses.

Ms. Fairlie: Madam Chair, the Yukon Development Corporation and Yukon Energy Corporation work hand in hand. Yukon Energy Corporation has representatives on the project committee for the next generation hydro project and are very involved in the review of the scientific papers that have been produced and the technical papers and have given valuable input throughout the process and also helped in setting the direction.

Yukon Development Corporation is well aware and has supported Yukon Energy Corporation in the development of its integrated resource plan and continues to provide that support.

We share information and knowledge back and forth between us, and we try to work together, so we do not feel particularly siloed. We also work with Energy, Mines and Resources to share information, and they have included us in a review of their policies, as they have been developed, and again I think there is good cooperation that exists between the parties.

Mr. Tredger: I guess a concern is a redundancy that what should be an integrated process to my mind is being perhaps unnecessarily divided.

The Yukon Development Corporation was issued a directive to find a business case to support a decision that Cabinet has already made — in the minds of some people — and I'm wondering about how many options Yukon Development Corporation was given. To me, the process would be that we need X amount of energy in 30 years. The experts at Yukon Development Corporation and Yukon Energy Corporation should then be asked what the best way is to go about it.

It seems, in this instance, that we have had a directive that entails looking at a particular solution, rather than the solutions in general. So how has Yukon Development Corporation managed to get around those restraints?

Mr. Ferbey: Madam Chair, part 1 of the *Yukon Development Corporation Act* did provide a directive for us to look at next generation hydro that, in essence, looks at an investment from year 20 to year 50 and the potential energy gap and a project that could come to ground to potentially be an energy solution for Yukoners. The actual desktop study was looking at 200 different projects. Over the course of a number of screening exercises, it got down to six. The actual project was based on a forecast of the potential energy gap. The midrange was looking at 21 megawatts to 53 megawatts. Some of the screening things that were put in place were providing more than 10 megawatts of power, providing winter power, not flooding a community, not flooding a national park, and ultimately — as the member spoke of earlier —

having a levelled cost of energy to ensure that the project that goes forward would be financially feasibility.

As the saying goes, “As the facts change, so does our mind.” We’ve been very much in consultation with Yukon Energy Corporation, as they continue on the resource strategy, looking at renewable energies. Within our directive, we also take into consideration, of course, renewable energies. As we further our due diligence, we have to weigh it against other due diligence that comes at the same level as we’re at with our next generation hydro, in partnership with our energy partners — of course, with Yukon Energy Corporation, and also with Energy, Mines and Resources and the Energy Solutions Centre. We have to look at the entire palette of due diligence and, of course, bring forward recommendations that are reflective of the facts that we know at hand in the current period.

Mr. Tredger: At the workshops that YDC put on — and I appreciated them very much — it was mentioned that a suite of options, including pump storage, might be a comparable and localized cost of energy. Does the Yukon Development Corporation see their directive as limiting, or do they feel that they can propose an alternative, should their research show it, to the megadam projects?

Ms. Fairlie: The Yukon Development Corporation does not feel constrained only to bring forward one option for the government to consider. However, you have to keep in mind that the Yukon Energy Corporation is conducting its resource plan and will be looking at some of these alternatives. We will be looking to see how this fits within the overall need of the Yukon in the future.

Mr. Tredger: So Yukon Development Corporation would not feel that they had to recommend a megadam, if their research showed that was not the most feasible or acceptable way of going? They could come up with another alternative?

Ms. Fairlie: Madam Chair, that is possible. I do want to remind you, though, that the studies that we have done so far indicate that next generation hydro project would be comparable in both costs and environmental footprint. At this point in time, we still consider it to be a viable option.

Mr. Tredger: Building a redundancy is a possibility with the next generation dam. All through the multi-year construction for the next 20 or 30 years, Yukon Energy Corporation will presumably be providing power to Yukon residents and businesses. If things work out as intended, the majority of that power would be from green, renewable sources. However, because we exist in a closed system and we can’t sell the excess power anywhere, the day that the next generation dam is ready to produce power, we will have an excess of 50 to 100 megawatts of power. Which customer will have to start paying for those costs? How does that affect financing? What assurances will the Yukon ratepayer have that they won’t be on the hook for 50 to 100 megawatts of power that don’t have a user?

Mr. Ferbey: One of the most important next steps for us will have to be the financing of this infrastructure. One of the screening exercises we went through was a levelized cost

of energy. To continue on the planning process and to narrow it down to an actual final recommendation will, of course, have to include a business case that is financially viable and can work within the fiscal framework of the Yukon government and also within the financial realities of both the corporation and Yukoners. I would remind the member that the long federal history of providing a level of financing for other hydro projects is one thing we will have to explore and, in fact, it will be on our work plan for this coming year.

Mr. Tredger: At that same workshop, the proposed or suggested transmission lines to BC or to Anchorage, Alaska, were found to be not economically viable. Has YDC been directed to further explore the possibility of transmission lines to Skagway?

Mr. Ferbey: There has been a transmission study looking at a potential connection to Skagway from Morrison Hershfield. However, it is under the purview of EMR, and we have not been asked to look at that yet.

Mr. Tredger: There was a lot of interest at the recent technical workshops, both during the day and in the evening. In other solutions, to meet Yukon’s long-term energy needs, a combination of wind, solar, small hydro and pump storage was of interest to many of the participants. The advantages include the fact that it was scalable; less redundancy is built in; there are possibly more financial and partnering options; a decentralized approach spreads benefits and builds capacity more broadly; as well as increasing technological breakthroughs, not only in terms of electrical generation, but in terms of storage. In many jurisdictions around the world, they are looking for ways to decentralize the storage. Will the Yukon Development Corporation continue to explore this option with LCOE analysis and environmental analysis as to the long-term effects or has it just been part of the report that will be put to one side while you pursue looking at the megahydro?

Mr. Ferbey: Madam Chair, a very important piece of our work of course has been our ability to collaborate with our energy partners, in particular on this looking at renewables in a more sensitive — at least further due diligence through the Yukon Energy Corporation’s 20-year resource strategy and so of course all the work that they bring forward is something that the board will have to reflect on. In particular, one point that I would make is that we need to be pragmatic and of course make decisions based on the technology of the day that is economically feasible, so in essence we are doing some of the cutting-edge work on next generation hydro and looking to our partner, YEC, to bring forward additional work on exactly the renewables that was just mentioned. Thank you.

Mr. Tredger: Madam Chair, as we noted — how could we not — lately climate change has reached a crisis. We have just had a major breakthrough by nations of the world signing a pact that in many people’s eyes signals the end of the fossil fuel age.

YEC and YDC are our energy experts in the Yukon and they have a lot of expertise and collective expertise. However, I have noticed that the current shareholder letter of expectation between the minister and YDC no longer refers to

YDC's involvement with government in the implementation of the climate action plan. Earlier versions of the shareholder letter of expectation did see a role for YDC in addressing climate change. How have YDC and YEC experts managed now to provide information that will inform Yukon as a territory — Yukon citizens as well as governments — as we go into the new climate around production of energy, use of energy and storage of energy?

Ms. Fairlie: The Yukon Development Corporation will look at all the studies that are available as it moves forward with the work that it undertakes over the next little while. The Yukon Development Corporation and Yukon Energy Corporation are expected to perform under all of the policies of the government regardless of what their title is, and that would include the climate change policies and energy policies of the government.

I'm going to turn it over to the Yukon Energy Corporation to respond to the climate change specific part of the question.

Mr. Hall: As it specifically relates to the 2015 update to the climate change action plan, which Yukon government issued recently, I think a number of the actions mentioned in that update dovetail very nicely with what Yukon Energy is focusing on.

An example is the focus on secondary sales and the sale of secondary energy to government buildings. There was a specific action in that update to convert four government buildings, I believe, to secondary energy sales. Certainly, from Yukon Energy's perspective, promotion and growth of secondary sales is a key target for us as a way to increase our sales at a time when general sales are not going particularly strongly, but also we see the role that our renewable energy resources have in mitigating the greenhouse gas impact of, particularly, building heat for example in the Yukon.

Mr. Tredger: So the move from a formal involvement that was previously in the letters of expectation to a — well, it's not referred to in the letters of expectation anymore and has not been a significant deterrent. I'm glad to see — I would expect that the findings of YEC and YDC would augment and help decide where we, as a territory, go. That is why I am a bit concerned that it's no longer in the letter of expectation, but I'm relieved to hear that you still have a say in it.

COP21 is signalling a phase-out of fossil fuels and it is certainly not accurate to consider fossil fuels as clean, whether they're LNG or any others. Especially in this era of climate change, there is not excuse or justification for moving toward more reliance on fossil fuels. We know that LNG has 10 to 20 times the carbon footprint of wind and solar. Is not a best practice of energy planning to consider a price on carbon and what difference would a price on carbon make to project planning and costing in the Yukon?

Mr. Hall: As part of Yukon Energy's planning for our resource plan exercise, we are developing a methodology to assess supply options and that would include both financial and non-financial metrics. So if there was a price of carbon — and I say "if" — it would apply in that context as a financial metric, but no decision has been made on whether we would

be including a cost of carbon at this time. I think it's fair to say it's a very fluid public policy arena right now coming out of Paris, particularly at the federal level. At this time, it's a bit premature to make any kind of determination around carbon pricing.

Mr. Tredger: I guess when we project energy futures 10, 20, 30 and 40 years down the line, we are making a number of assumptions. Given the movement of the world and people of the world toward truly costing the use of carbon fuels and fossil fuels, some of the assumptions and projections should include our changing energy use and the effect that increasing costs of carbon would have on that.

Earlier it was mentioned that Yukon receives 99 percent of its renewable energy from our hydro. I would emphasize that's our electricity production. The majority of our fossil fuels are around transportation and heating.

I am wondering if YDC has been involved in any discussions with the government or with the climate change action group as to how to reduce our greenhouse gas in terms of transportation and heating. How can we move toward more renewable energies and reduce our dependency on fossil fuels in that area? I know there have been a number of breakthroughs technologically, and one of them would be the wood gasification and use of wood, not only for gasification, but for district heating and things like that. How has the knowledge that YEC garnered in their research started or helped to inform the government's decision-making?

Mr. Hall: I can comment only from YEC's perspective. I'm not specifically commenting on government. Going into 2015, we certainly recognized the opportunity for increased power sales in the two segments that the member refers to. That would firstly be the home heating market and, secondly, in the long term, the transportation sector. Primarily, it was looking at it as a business opportunity, because in the face of declining sales, or at least flat sales, generally, it is better for us to grow our business and spread our costs over more customers.

We commissioned two studies this year to look at, firstly, the home heating market, just to understand the business case, from a homeowner's perspective, to switch from fuel oil or propane over to electricity. Our feeling was that the homeowner needs to have an incentive or a business case to do that; otherwise, many of them won't. That study is nearly complete, and we will be happy to share the results of that when it's available.

Secondly, we did a study on electric vehicles — the potential for electric vehicles in the Yukon — just to get a flavour for what that market opportunity could look like for Yukon Energy Corporation over the long term, recognizing that, when you look at the penetration of a vehicle fleet over time, it takes a substantial amount of time, given that people will own vehicles for upward of 10 years these days. It's not going to happen overnight, but we wanted to understand the business opportunity. Again, that study should be completed by the end of the year and we would be happy to share the results of that.

We haven't had any specific discussions with government around the policy, and we recognize that those two areas are very — that there is a significant policy mandate there as well, but we were looking at it purely from a business perspective.

Mr. Tredger: I have a few questions around the independent power production policy. We have an incomplete power production policy, but it looks like there is going to be a lot of work for the utilities as we develop regulations. Can you give me an update on the development of a contracting process between the IPP developers and the utilities?

Mr. Hall: The independent power producers policy speaks just to a specific piece of work that needs to be done around the standing offer program, and that is cooperation led by Energy, Mines and Resources but involving the utilities and YDC on developments of such details as interconnection standards and the pricing of the purchased power under their SOP. I believe we have a year to develop those details and I expect that the work will be complete within that 12-month period.

Mr. Tredger: The power purchase agreements: Who signs them? Who sets them up? Who oversees their negotiation and pricing? And is that made on a business base or is it on political decision-making?

Mr. Hall: I believe the member is referring to power purchase agreements under the call for power portion of the IPP policy. Those PPAs are negotiated between YEC and the proponent. That's what is outlined in the policy, and any negotiated PPA needs to be approved by the YUB.

Mr. Tredger: So that would mean that a business case has to be made for the purchase?

Mr. Hall: Yes. Madam Chair, I think the first step — and we'll be completing this through the resource plan exercise — is to look at what the available opportunity is for IPP-sourced power within the energy mix, so we'll define, certainly within our planning horizon of zero to 20 years what our total energy and capacity requirements are and then look at what we can meet through our own future projects and what we could source from the IPP sector. Based on that, we then look at the timing when those needs arise, and then back it up in terms of the timing required for the IPP proponents to do their work.

Obviously anyone who has developed a power project knows that it takes several years to do the background science and consultation work, environmental studies, et cetera. So you need to create a very clear timeline upon which to work and upon which that call for power program might be based.

Mr. Tredger: System-wide, when you're looking at introduction of power, what are the technical limits, in terms of integration? I have read a few studies where, at one point, renewable energy was talked about as being at 10 to 20 percent integration because of its intermittency — although more recent ones have increased that. I've read of some success around 60 percent of total energy.

What are the technical limits for the utilities when it comes to bringing on independent power producers — whether they are bringing on LNG projects or whether they are renewable projects?

Mr. Hall: I think at this point, without knowing the technical details of the specific IPP project, it's very difficult to tell what those technical limits are. It depends a lot on whether it's a wind project — and even within wind, what the quality of the resource is — compared to a small-scale hydro project, for example.

So at the front end, it's very tough to know what those technical limits are.

Mr. Tredger: Are smart grids being considered to integrate IPPs, as well as various sources of power production, on a more efficient basis?

Mr. Hall: Yukon Energy is certainly interested in smart meters. There are elements of our grid that are monitored in real time. So in that sense, they are sort of semi-smart at this time. As it specifically relates to the IPP — which I believe is the context of the member's question — I don't believe there is a very strong connection there. Clearly we will be looking at what technological solutions there may be to integrate intermittent renewables into the grid — but that could be a Yukon Energy project; it could be an IPP. That would focus more on storage-type solutions to help with the acceptance of the intermittency of some of the renewable resources.

Mr. Tredger: Who will bear the cost to the utility to integrate? What obligations will the utility have? Will there be a timeline to power purchase agreements? I know that, in BC, they ran into trouble when they had long-term costing agreements through their IPP policy. Does this IPP policy contemplate a limit — especially if we're talking about having, in 30 years, a major change to the way we produce electricity?

Mr. Hall: At this point it's difficult to tell how long term those PPAs will be. They obviously have to be of sufficient duration that the IPP can earn a financial return. At this stage, to say whether it's going to be a 20- or 25-year deal — it's tough to tell.

Mr. Tredger: Recently a mine in western Yukon contemplated meeting their power needs with an LNG plant and selling to the ATCO grid through the IPP policy. Will it be YDC that negotiates this power purchase agreement?

A second part to that is, on page nine of the policy, the utility role and responsibility number 5 — wheeling policy: establishing rules governing transmission of IPP power over ATCO Electric Yukon's grid infrastructure for sale for YEC. Could YEC then be forced to purchase LNG-generated electricity? Can the witness comment on the possibility of adding fossil fuel-generated electricity to our now 99-percent renewable energy? It sounds like we're going a little bit backward. Is there any cap on the portion of power that can be fossil fuel-based in the IPP policy or in YDC's directives?

Mr. Hall: I can answer the question that related to YEC in the member's statement. I think it's important to note that the call for power program — which is the only part of the policy that contemplates natural gas, right? The standard offer program does not contemplate natural gas. The call for power program is initiated by YEC, after consultation with YDC, based on our load and our needs. So the prospect of us being forced to purchase anything is difficult to understand, given

that we are the ones initiating the call for power in the beginning.

The question regarding wheeling — I don't think there is any obligation there. We had quite a bit of discussion during the consultation period about the fact that ATCO operates sections of the grid in the Yukon, and what was going to happen if an IPP wishes to connect into a section of the grid owned by ATCO. My understanding is that this clause that talks about wheeling is just setting up a framework that allows that power to be transmitted by ATCO through to the ultimate customer, which would be Yukon Energy.

Mr. Tredger: So have there been any limits set either percentage-wise or in the amount of electricity that can be generated by fossil fuels for Yukon consumption?

Mr. Hall: Based on my reading of the policy, there are no limits around fossil fuels as it relates to any percentage of the overall source of power.

Mr. Tredger: I referred to it earlier, but there have been a number of changes to the protocol agreement and shareholder letter of expectations and I just have a couple of questions around the impacts of that.

Crown corporations are designed to operate at arm's length, so experts make long-term decisions and avoid the pitfalls of politicians planning according to short-term goals. In Alaska, the Industrial Development and Export Authority recently spoke in Yukon at the Opportunities North Conference of getting better results with a healthy distance from political influence and it ensured that business cases rather than political cases be made.

In Yukon, arm's-length Crown corporations' projects have public oversight and accountability through the Yukon Utilities Board and, in government, through appearances like this in the Legislature. Ministerial projects, including financing, have to make sense only to Cabinet, with no public oversight. In the protocol agreements and the shareholder letter of expectations, there are big changes between the 2012-13 version and the current 2015-16 version. Generally, ministerial direction and oversight of both YDC and YEC have increased and the arm's-length aspect has disappeared, especially from the Yukon Energy Corporation — just the opposite of what they found successful in Alaska.

For example, deleted from the 2012-13 version's shareholder letter of expectations is YDC's role in the implementation of the climate action plan and energy strategy. Also deleted from the protocol agreement between the minister and YDC is all language about the unique status of energy. There was a paragraph referring to YEC as "not an agent of government". Also removed is a reference to YEC's fiduciary obligations being to its owner and "indirectly the government" has been removed. References to the role of Energy, Mines and Resources advising the minister are also removed. What has been added is: "ministerial direction has been expanded in several ways over the past three years."

One of the new clauses to YDC's board roles in this year's protocol agreement reads — and I quote: "ensure that all energy projects and studies with significant policy and/or

financial implications are supported by the Minister prior to approving them."

How do the changes in governance play out in planning Yukon's energy future? How has this additional government constraint been managed? How does the YDC go about attempting to maintain the arm's length and the business case scenario rather than the political scenario?

Ms. Fairlie: One of the things, Madam Chair, we would like to clarify is that the Yukon Development Corporation is established under legislation so it has a role under the legislation as it reports to the government and so it's not necessary to include that within the letter within the protocol agreement because it's already established in legislation.

The distance is maintained because the board of directors makes recommendations to the government around policy and anything with policy implications or financial implications. If the government is responsible for providing the finances, the government in the end has to make the decision as to what it will agree to finance within its own fiscal capabilities.

Policy decisions can have significant financial implications and for that reason also when they do have financial implications, they are referred to the government so that the government can determine whether or not that will fall within its fiscal capabilities.

Mr. Tredger: I thank the witness for her answer.

I'll just put an example forward and have a number of questions around it. The Yukon Party Cabinet decision to plan the Stewart-Keno transmission project was not foreseen in earlier resource plans. I looked through a number of the objectives and goals and didn't find anything. Yukon government has put up approximately \$5 million for the planning. In this scenario, the rate base is protected since the project planning needed Cabinet approval only and no other accountability overview applies. With Yukon government funding infrastructure plans, some expenses are hidden from the rate base.

Madam Chair, we are all for improving energy transmission, but are curious about the process. Who made the decision and on whose recommendation was it to plan a new transmission line between Stewart and Keno?

Ms. Fairlie: Madam Chair, there was a review at the time. There was some funding available at the federal level for Building Canada and there was an identified need to repair or replace the line between Stewart and Keno. There was a decision made that this might be a good project to get shovel-ready to apply for federal funding in case that became available. The government decided that they would support that. It was recommended actually between a combination of the Yukon Energy Corporation, and the Yukon Development Corporation made the recommendation to the government that this might be a good project and the government agreed that it would support the project.

Mr. Tredger: To the best of your knowledge, is there a business case for this project? What is the justification? Was YDC provided with or directed to provide a business case?

How much energy must be sold to justify a \$42-million-plus cost in terms of transmission?

Ms. Fairlie: The Yukon Development Corporation was asked to justify the rationale for the line. The rationale for the line was because of the fact that the line needed to be replaced or repaired. Some parts of the line are in very bad condition, and it was on that basis that the application was made to replace the line. It can be done in several stages and it can be done in different ways. That will come through the planning exercise that is being undertaken.

Mr. Tredger: Was there a request from a potential customer for the additional power? Is there a power purchase agreement in place?

Mr. Hall: No, there is no power purchase agreement in place at this time.

Mr. Tredger: So, at this point, there are no additional customers contemplated?

Mr. Hall: No. Just to support some of the earlier comments by Ms. Fairlie, while the member may be correct that we didn't talk about this transmission line in our resource plan, we certainly talked about it in our last GRA and disclosed that the line was end of life. Frankly, one of the contractors we had who came and inspected the line said that it was probably the worst transmission line that he had ever seen in his career. There is no question that this line needs to be replaced.

Often a feature of that kind of infrastructure replacement project is that it is a cost that needs to be incurred, but in many cases it is not always an immediate, additional source of revenue. That is a feature of infrastructure replacements in general, whether they are roads that have reached end of life or bridges that have reached end of life, it's a challenge that we face. As the member knows, much of our infrastructure on the electrical side here in the Yukon dates back to the 1950s and the 1970s. A lot of this is reaching end of life, and we face these tough decisions on how and when to replace this infrastructure and how to finance it.

Mr. Tredger: Why did we change from a 64-kilovolt line to a 128-kilovolt line? Is there an ability for businesses and residents along the line to tap into that line? I know that was a request from many of the residents along the way back in 2011 when the Mayo to Stewart line was built and now is being upgraded to 128 kilovolts. How much additional cost is there per kilometre for a 128-kilovolt line as compared to a 64-kilovolt line?

Mr. Hall: We certainly did look at various options for how to spec that line, be it 69 kV or 138 kV. We felt that it was prudent to plan for future growth. These lines can be around for 40-plus years, so planning for future growth suggested that 138 was the way to go, because it did allow for greater transmission capacity in the future.

The few customers that are on the line will be able to tap in. There is what is called the "power transformer" that is needed. As part of the project, we would upgrade those PTs, or power transformers, that they have to run off the 138 kV.

Mr. Tredger: Any additional residents who come on along the road, or along the river there or going north from Mayo — what would be their cost to tap in?

Mr. Hall: Offhand, I don't know what the cost of those PTs is. It is typically quite expensive to tap in directly to a transmission line, whether it's at 69 kV or 138 kV. As to the quantum of those costs, I don't have that number with me.

Mr. Tredger: I know a number of residents along the river who — originally when we were looking at the line from the dam to Stewart Crossing — expressed a desire for that ability at a lesser cost. At the time, they were given assurances that would be available. Now the line is being upgraded to an even more powerful line. My question would be — it must be harder to do, and therefore more expensive to do. Are there any allowances, in terms of financing for the individual owners or new businesses that come up along the line that want access to it? Is there any way of accommodating them?

Mr. Hall: We can certainly look at the incremental costs that may be incurred because of this election to go to 138.

Mr. Tredger: The existing line from Mayo to Stewart Crossing, which covers a significant portion of this, was completed, I believe, in 2011 at considerable expense. It was deemed adequate to power from Mayo to Stewart Crossing and to transmit the power from the dam into the system. What is happening to that line that was completed, what, five or six years ago? How is it being decommissioned? Is any of it salvageable?

It seems like you have a new line that is already there. In my mind — given the customer base and given the business case — that line should stay and maybe the 17 or so customers in Keno and the Alexco mine — which is now closed, but may someday open — perhaps a new line can be justified there, but I wouldn't think. A 139-kV line is a great expense and has a certain amount of redundancy. Can the witnesses explain sort of the thinking there?

Mr. Hall: Again, the reasoning for the current project's sort of scope in installing a 138-kilovolt line between Stewart Crossing and Mayo was with an eye to the long term — over the 40- or 50-year life of the line — providing adequate transmission capacity so we can actually send power from the south up into that region. If you left it at 69 kV with the current line, that would become the bottleneck. If we had significant new customers in the future in the Keno area, for example, that 69-kV line — the current line between Stewart Crossing and Mayo — would become a bottleneck.

So the thinking, given the long-term nature of the project, was to replace that section at 138 kV. Ms. Fairlie referred earlier to some of the options that we might look at on how to stage the project. One of those options could be to go with the existing 69-kV line between Stewart Crossing and Mayo as a first step and stage the project execution in that way.

Mr. Tredger: Has a final decision been made on the current 69-kilovolt line between Mayo and Stewart, which was completed just recently?

Mr. Hall: No, there has been no decision on the final implementation. What was approved was the \$5.3 million to

look at the planning phase of this project. Part of the detailed engineering, which we will be kicking off in the new year, will be to look at some of these staging options.

Mr. Tredger: By building a 139-kilovolt line through to Keno, to where there may be potential customers — we don't know yet as we don't have any agreement to work with them — our energy production is near capacity now. What will supply this potential or hypothetical increased demand? Where will that come from? Are we obligated, once we build that line, to supply power to the new industrial customers that may or may not come on stream?

Mr. Hall: As part of our resource plan exercise, we will be looking at incremental mining loads — in other words, loads that are arising from new mine connections — and what the supply options might be to meet those new loads. Specifically, around mines in the Keno area and, particularly northeast of Keno, those are pretty early-stage projects. Most of them are still in the PEA phase and so are a long ways from being developed, timewise. Our sense is that we have time to develop new supply options if and when those mines come forward and wish to enter into a discussion around a power purchase agreement.

In terms of the process we would go through, we would certainly enter into a negotiation and look at the net impact on ratepayers, because we are ultimately responsible to the Yukon Utilities Board to bring the PPA forward. If there is a significant impact on rates arising from a mine connection, we have to think of that scenario and how the YUB would respond and rule. It's a complex issue that requires a lot of work at the time.

Mr. Tredger: We don't have a source of power yet. We don't have a customer yet. I have to question the business case for going ahead and building, or even contemplating spending \$42 million, on a line that we have neither of those yet.

Has YUB reviewed this proposal, and is the witness sure that it would not obligate us then to provide power that will increase our rate base or increase our cost or increase our dependency on fossil fuels to a third party?

Mr. Hall: I think it's important to note that the project is still in the early planning stage, so the YUB doesn't typically review a project until it's much further advanced and it's at the point where any expenditures that are going to be added to a rate base get reviewed.

If the project is funded federally, for example — and Ms. Fairlie referred to federal funding — and if zero expenditure is going to the rate base, then YUB has no obligation to review the project.

Mr. Tredger: There was a very successful energy audit done on Alexco mine when it was open, and they achieved 20-percent efficiencies. Is YEC looking to conduct audits of any mines that may require energy from YEC — installing industry best practice incentives for DSM or anything for other industrial partners, like the Yukon Hospital Corporation and various institutions in Whitehorse and around? Are energy audits being done on our industrial base?

Mr. Hall: We have completed energy audits on two mines — Alexco and Minto mine — so obviously one of those is no longer in operation, namely Alexco, and they shut down shortly after we completed that energy audit, so I don't think they had an opportunity to implement any of the recommendations.

In the case of Minto, we worked with them, both in terms of just trying to understand where their energy is used on their site and then identifying particular specific equipment upgrades, for example, that had specific business cases for them, because obviously mines are quite capital-constrained in this environment and they have to look very closely at whether they can get a payback on any equipment upgrades that we might suggest that reduce their energy consumption.

I do know that they've altered the way in which they stage their operation — namely crushing, milling, et cetera — with a view to optimizing their energy production, but I don't have information on what specific capital investments they may have made in response to our energy audit.

We would certainly work with any future mines on their energy consumption profile and look for opportunities to reduce their net consumption. That's often a tricky exercise — particularly at the early stages at a PEA or feasibility level of mine development, they often don't know very much about the details of their power consumption, so I think it can happen quite late in mine development and design.

In terms of other industrial customers — right now with the Yukon Hospital Corporation, we have been focusing on connecting them to our secondary sales program. We were very glad that earlier this year they reconnected to our secondary sales program with an automatic connection to our control system, which allows us to really maximize the amount of secondary sales that they purchase. We are in discussion with them about how to expand the opportunity for secondary sales within, not only their existing operations, but any future buildings that they may have.

Mr. Tredger: Thank you, Madam Chair, and thanks for that answer.

I will just move on to the LNG plant right now. What are the current and future sources and costs of LNG anticipated to be? How much of that would be refining costs, transportation costs, fuel costs, and taxes? Does YEC have a means — given the global concern about carbon footprints — of determining the lowest cost carbon footprint in terms of LNG, or is it all one big mix?

Mr. Hall: I'll take that question in a bit. Firstly, the current source — so far we've purchased 19 deliveries of LNG from two suppliers. That would be FortisBC and Ventures West — Ventures West sourcing their product from the Fortis Tilbury facility. In terms of costing, our current cost is around — delivered to Whitehorse — \$21 per gigajoule. That breaks down as \$13.47 for transportation; \$4.76 for liquefaction, which would be processing; and a commodity charge of \$2.78.

It is interesting to compare that to diesel on an energy-equivalent basis. Diesel right now — delivered to Whitehorse — 93 cents — which equates to \$25 per gigajoule. So we are

looking at about an 18-percent cost advantage in going with LNG.

In terms of looking at LNG supply sources, there is a methodology to determine the greenhouse gas footprint of different sources of LNG and that looks at not only the production, but also a large power-draw or source of emissions which can be in the compression and liquefaction step, depending on what sources of energy might be used. As an example, in Fortis's Tilbury plant, they use BC Hydro power, so it's an electrical compression process. That is essentially green.

In terms of the numbers — as part of the project planning, we commissioned three independent studies of greenhouse gas emissions — the greenhouse gas footprint of various sources of LNG. The most recent study was done in March 2014, by a company called S&T Consultants. The report is on our website. They looked at three sources of LNG: Fortis in Tilbury, Shell Energy — which is no longer an option — and a northern supply point — which would likely be AltaGas — and looked at the profile of LNG — of greenhouse gas emissions between those sources. What they found — I would point the member to the report — is that the Fortis supply would have the lowest greenhouse gas footprint of those available sources.

Mr. Tredger: Are there any plans to rely on LNG to provide baseload? How would that be defined? Perhaps more importantly, what plans does YEC have to avoid using LNG for a baseload?

Mr. Hall: I think it's important to remember that the LNG generators were installed to replace two diesel engines that had reached their end of life. There's a third diesel engine that is approaching its end of life. If you look at those thermal systems collectively, we rely on them for backup and peaking uses, not baseload generation. However, there are a couple of scenarios where we would use them more for baseload. The first is very important — that is during drought years. It has been awhile since we've had a drought in Yukon. I believe that last one was a four-year drought in the late 1990s. But in cases where our hydro resources are severely impaired in times of drought, we would have no choice but to run thermal to keep the lights on.

The second circumstance would be an interim use of thermal. That would be in a situation where we were looking at a mine connection or a large new customer and we needed a bridge to provide for a time period until we could bring in a renewable energy supply project online. I'm not saying that would be the scenario, but there is a possibility that we just wouldn't have a renewable project ready to go in time, so we may have an interim requirement to burn thermal.

Other than that, the purpose of our thermal fleets is to provide backup and peaking generation.

Chair: Last question, Mr. Tredger.

Mr. Tredger: This is my last question and then my time is up. I thank the witnesses for coming to the House today.

Does YEC have any way of measuring the amount of methane and fugitive escapement through venting? Is it being measured?

I noticed earlier, when we had that smell that arose — apparently with the transportation — when the trucks are coming up, the LNG is not scented. Is there any way to determine the amount of fugitive emissions of methane as they are transported north?

Again, thank you.

Mr. Hall: Madam Chair, there are a couple of questions there. Firstly, as a practice, we do not vent boil-off gas. We are not in the habit of venting and we have not vented at all since the commissioning of the plant. We rather use the boil-off gas that might arise as the LNG sits in our tanks in two ways. We either use it in our gas engines as part of their regular monthly run-ups. So the gas engines, like diesel engines, have to be run periodically as part of the maintenance practice. We take advantage, if required, of the boil-off gas to run those engines in those run-ups.

We have another use of boil-off gas — namely, in the boiler in our diesel plants — so we can direct that boil-off gas to be burned to keep the diesel plant warm. We don't vent.

In terms of fugitive emissions — there are a couple of places that fugitive emissions may occur. The member has pointed out one, which is during the transportation of the LNG up from Vancouver.

FortisBC has a policy of not venting either. If you look at the pressure increase over the delivery cycle, there is no requirement to vent those trucks. They are delivered in time such that the pressure increases can be handled by the tank.

In terms of fugitive emissions from our plant, we do track releases of LNG, so if you have a small spill of LNG, we do track those on a case-by-case basis. We report any incidents to Environment Canada and Yukon Environment through their spill hotline. Since start-up, we have had four small releases of LNG. I will give you an example. During one case where an operator was disconnecting the truck, a small amount of liquid fell on the ground. What we will do in that case is estimate what quantity of LNG that was, calculate the amount of methane and report that amount. The quantity that we have spilled equates, so far, to 21 cubic metres of methane gas, which equates to about 0.4 tonnes of CO₂ equivalent, and that is a tiny number. Yukon Energy Corporation's GHG emissions are around 2,300 tonnes, year to date, so you are looking at far less than one percent of our overall carbon footprint contributed through those LNG spills.

Mr. Silver: Thank you to the witnesses today for their time. We appreciate it. I am going to try to keep my questions succinct to topic, but I might be all over the place, as my colleague from Mayo-Tatchun asked a few of the questions that I was going to ask. If the witnesses could bear with me, that would be great.

I am going to start with next generation hydro. In an opening remark, I believe it was Ms. Fairlie who spoke about meeting with First Nations on proposed sites. I would like to get back to that, about the take-away — maybe some conversation here today about those conversations that were

had along the lines of consultation. Would YDC consider this to be full consultation with the First Nations, in respect to each of the options that fall within the traditional territories? I am speaking specifically about these final six sites for next generation hydro.

Mr. Ferbey: The work that has been done to date started with three technical workshops, including the First Nation energy forum and, of course, most recently when we disclosed and presented publicly our six due diligence documents. In addition to that, we have been talking directly with leadership. We have been to a number of First Nations, including the Carcross/Tagish First Nation, the Na Cho Nyäk Dun, Selkirk First Nation, Tr'ondëk Hwëch'in and also Little Salmon Carmacks First Nation. We have ongoing discussions with the Kaska First Nation.

To the member's point of what has been learned to date, I would say a predictable lesson of sorts is that they are challenging projects. Our responsibility, though, is to continue forward and, in particular, talk to the very need for partnership in full reflection of the obligations from the final and self-governing agreements. We do find that some of the First Nations have put forth a resolution that talked about their interests. The ongoing dialogue that we are having is really sitting down to figure out with other First Nations what the most respectful process is to go forward with because, as we look at consultation, we don't come in with a prescribed view of what it may be. We want to talk with the First Nation leadership and the community to really find what is the best and most respectful way to go forward. That has been our dialogue to date — one of partnership and really sitting down to figure out how to proceed with some of the ground trothing, leading from the tabling of our desktop studies.

Mr. Silver: Challenging indeed — absolutely. More specifically, let's break it down for each of those specific First Nations. Have each of these First Nations that are going to be impacted agreed, at least in a formal way, to go forward with continued planning and development for each selected site, and if the witness could please expand a little bit about that, per First Nation?

Mr. Ferbey: Yes, I could talk a little bit about our last community meetings. We did visit the Selkirk First Nation, as we saw in the public record, but of course, a month ago, they did table with us a resolution that talked about their interest of not seeing next generation hydro in their traditional territory, which included Granite Canyon and Detour Canyon.

In addition to that, we've had ongoing discussions with Na Cho Nyäk Dun First Nation and the Kaska First Nation of Liard First Nation, and Ross River. To date, what has been indicated to us is the potential opportunity to further talk about our desktop results, but in particular, going to the communities talking directly to the citizenry and the leadership. Those dialogues are ongoing. In our work schedule, we have meetings coming up early in the new year to revisit those communities, at the invitation of the respective First Nations.

Mr. Silver: I know specifically with the Selkirk resolution, we heard from the witnesses in their opening

statements again the concept of flooding and coming close to communities. I know that would be one of the considerations with one of those sites in Selkirk traditional territory.

Also in documentation found on the Yukon Energy Corporation and Yukon Development Corporation website, we're looking at significant flooding in selected sites and we're talking up to hundreds of square kilometres of land. The concept of social acceptability comes up on the website in documentation on the website as well. Does Yukon Development Corporation consider flooding of 100 square kilometres to 300 square kilometres socially acceptable or even environmentally acceptable?

Mr. Ferbey: Madam Chair, as my chair to the board indicated, these are challenging projects. One of the due diligence processes we looked at — when we looked at the basket of renewable energy solutions, one of the things that we found as we tried to compare to an extent, was that when you put a basket of renewables together — for example, smaller hydro or a smaller run of river — the actual footprint appears to be bigger than if you would consolidate into one development.

So, as we're talking with First Nations, we of course have to listen and understand the dialogue around other options but, in particular, what the board directive has been — and particularly the marching orders that I have with Yukon Development Corporation — are we need to seek partnership. For us, on our next step, we need to ground-truth these potential projects but, to do so, we need to establish an agreement and partnership with First Nations that mitigates the issue, of course addresses potential benefit but, in the end, establishes social licence and also mitigates the community concerns to the extent that we can achieve a partnership that allows us, in the next stage, to figure if we can go further.

In essence, our work in the coming year and in the early new year is to establish, if we can, a move forward in partnership with First Nations. Ultimately that hopefully will lead to social licence.

Mr. Silver: It does definitely sound like the corporation has its work cut out for it, moving down in this particular direction, and it is one particular direction of massive hydro.

I just want the witness to confirm — he mentioned that smaller projects would have a larger environmental footprint. If the witness can expand upon that — maybe direct us to the reading material that would justify that.

Mr. Ferbey: Within the viability study, what we did is we looked at a number of different scenarios. There were four. People have real interest in the fourth and what it was, was looking at a basket of smaller renewable energy projects that could potentially provide for energy in the 20- to 50-year horizon. You're looking at 21 megawatts, 53 megawatts.

When you started looking at one of the characteristics of the large next generation hydro, it is imperative that it has to have winter energy. The characteristic of a watershed in the Yukon establishes that a smaller run of river or smaller hydro projects are quite challenging in the winter and so, in essence, what you need to do is bring many of them to ground. This is rough math, of course, because we haven't done the same

level of due diligence on the smaller renewable hydro projects, but the rough math suggested, if you were to bring a project to provide winter energy — comparable to a stand-alone next generation hydro — you're looking at 14 small projects — 14 controlled structures across 14 rivers.

That's what I mean when you actually measure apples to apples — trying to establish the same level of energy capacity in a number of smaller projects does seem to have a larger footprint than one project. That's down to the viability study option paper that we publicly presented at our last workshop.

Mr. Silver: To clarify, that is from a viability study, not necessarily a publication — smaller generation projects compared to the bigger ones.

I'm going to move on from that to the costs. The costs here are astounding — absolutely. It's a massive project, so this does beg an awful lot of questions. Where will YDC acquire the funding for the next phases of the hydro development? Will the ratepayers be asked to contribute?

Mr. Ferbey: Madam Chair, I would remind the member that when you actually look at the projects, and if they're scalable — the Whitehorse dam is 43 megawatts — the scalable projects could start at 21 megawatts, up to 53 megawatts. So it is somewhat comparable in size.

One of the screening exercises that we had was a levelized cost of energy. These projects have to be less than thermal. So in essence, when you look at the capitalization of the entire project, they have to be financially viable and with a business case that can attract debt financing, equity financing and, in essence, investors. That is one of the next stages we will go through — identifying financial models and also potential funding avenues.

Most importantly, as we continue down the planning process, which can take anywhere from 11 to 17 years, at a certain stage, as we get closer in sensitivity, particularly on the costing, we have to identify that these are viable business cases and, with that, are acceptable within the fiscal framework in the Yukon. That is one of our sole responsibilities and a particularly important one.

Mr. Silver: So these questions might be a little bit premature, but still beg to be asked at this juncture. Has YDC discussed the financial sources specifically? Also, how will the risks be covered? Is YDC applying for federal funding for this project? Are these questions being considered currently with YDC or is it too soon to ask these questions?

Mr. Ferbey: These are important questions and I'll be very quick on this. The planning process actually is quite lengthy. At each gate, if you have a project that is viable — in terms of sensitivity of the due diligence — you move on to the next.

Right now, we are at project identification. It typically takes one to two years. The next step would be project selection and confirmation, pre-feasibility, feasibility, site design and planning, assessment and permitting, construction and commissioning, and finally, operation. According to this, if you were to actually be most efficient with your time, this would suggest you could complete this in 11 years. It's arranged within 11 years to 17 years.

So it is a bit early for us to be able to cost this project adequately to a sensitivity that we could, in essence, bring forward a business case — that's at best at this point — but we do have a high-level number. The next step for us, even with the high-level number, will be to start to identify the financial model and potentially envelopes of money that could be a possibility for us. So we do need to look at options for that and due diligence for the planning in this next year.

Mr. Silver: YEC submissions to the YUB indicated planning and permitting costs can be as much as about 15 percent of the cost of the complete project. Let's assume that it's even lower — something around 10 percent of the cost — and that the project is approximately \$1.2 billion, knowing full well that there are projects on there that go up a lot further than that. But let's underestimate here. That would mean that the project would cost \$120 million. How much of this will YDC spend before making a project-go decision? Let's start there.

Mr. Ferbey: It's a great question. We actually ask this with our planning. It's a little high. Typically you can look at a project of this size from five to eight percent of planning costs. One of the ways that the corporation mitigates risk is that, in each of these planning steps, you only spend the planning dollars that get you to a place where you can understand if you have a business case going forward. So if you were to expense the entire five to eight percent — which of course would include project management for actually bringing the project to ground — you would have a project that is financially viable and also have acceptance, of course, both with First Nation partners, because they would have to be on board — but also it would have to fit within the financial framework of the Yukon — and, of course, working with our partners at Yukon Energy, which runs hydro dams, to sit down and figure out with them a business case that is adequate to bring forward. So you would, of course, never expense this entire amount before you went through the planning steps and understood you have a case that has social licence, First Nation partnership, is acceptable from the fiscal framework and, of course, would be an asset you could bring to ground as cost-effective and provide sustainable energy into the future for the Yukon.

Mr. Silver: A massive amount of money up front. So I guess, how much of this money would be spent — or how much of this would be an acceptable risk, I guess? Out of that \$120 million, how far down the road would we go before we decide a project is a go? Is it \$50 million? Is it \$100 million? This is a lot of our budget money.

Supplementary to that would be: What should Yukoners expect in terms of financial risk? How would that be mitigated during this process? This might be premature to ask these questions now, but it's worth asking, I guess, at this point.

Mr. Ferbey: Another way the risk is mitigated is that, in each tranche of our due diligence, we have to ask government on an ongoing basis if we can continue to move the project forward; in particular, speaking to the business case that we find in the level of sensitivity of the due diligence. It is something where we would continue to come

back for approvals, step by step. That has been the practice to date and would be ongoing. That is really the way to protect the public purse and to ensure that the work we are doing has a level of viability to it.

Mr. Silver: At this scale, it begs the question: Will the financial plan for this particular direction and for one of these particular projects of the six take away from funding for other Yukon government programs? This might be more of a question for the minister responsible, but I would like to get the opinion of the Development Corporation on this.

Ms. Fairlie: I don't think that is a question the Yukon Development Corporation can respond to. We put forward our request. We identify the amounts of money that we need. We provide a rationale for that and the government makes the decision as to how it wants to allocate its funding.

Mr. Silver: Thank you very much and I do appreciate that answer. It was worth asking.

Again, from the website, I have a quick question on the transmission alternative summary report. When taking a look at the Yukon-to-BC option for connecting to the grid, I noticed that contemplated in the graph provided on the website is potential net Yukon export capacity, but there is nothing there as far as import capacity. We have a great Yukon company — Underhill — working right now on developing hydro in BC and we are wondering: Have there been conversations about how much capacity BC could give to the Yukon if this was an alternative to a major dam project? Going full circle, in five years from having this conversation, the price for these large hydro projects is starting to look a lot like the same price as connecting to a BC grid.

Mr. Ferbey: That is a good question. In fact, we have started some work on looking at the potential of importation just because we are looking at a due diligence process, asking 360 degrees of questions. But, of course, I remind everyone that one of the challenges when you look at importation is that you need the backup power within the Yukon. So for example, if you import 300, 400 or 500 megawatts — that's too much; 21 to 53 megawatts is the gap we suggest — if you didn't do other renewable energy projects, you would have to back that up somehow. So, as we find, there is no silver bullet. There are lots of challenging different ways we need to look at this. We have considered that. We are happy to provide answers once we get the final conclusion of the research from our consultants.

Mr. Silver: Just to confirm — backup as far as with our hydro — now we are backing up with the LNG generation?

Mr. Ferbey: If you were to import power — and the assumption is you have an energy gap and, if for some reason you would have what they call N-1 — you had an interruption of that power coming from BC — you would have to have the backup power in the Yukon to provide the energy needs of the Yukon. So that is one of the challenges of importation, you also have to back that up with something in the Yukon in case you have a loss of power from BC.

Mr. Silver: It is worth asking those questions because there are lots of conversations about a national grid; lots of conversations about infrastructure spending right across

Canada. I'll save some of those questions for another time. We're running out of time here.

I am just going to touch base again on the transmission line that the Member for Mayo-Tatchun was discussing. We know that YEC is completing planning and designing of a new transmission line. The cost of this phase is going to be \$5.3 million. We kind of danced around a couple of concepts here. I am going to cut right to the chase here. It is clear from publications presented that Victoria Gold plans to connect to the grid. How would YEC meet the potential for Victoria Gold and for their load? Will additional generation be required, and if so, when does YEC plan to add that generation, and if so, will it be hydro, LNG, wind, et cetera?

Mr. Hall: There is a lot of discussion still to go with Victoria Gold for any grid connection to happen. It is still, I would characterize, in its early days. They have yet to confirm what their power requirements are and, in particular, what the profile of those power requirements through the year might be. So the best we can do, given that uncertainty and lack of information, is just to include the potential connection in our resource plan as one of the scenarios that we would look at and to then look at what supply options we might move forward to meet that load, if and when it materialized, but we've certainly made no determination as to whether it would be wind, hydro, LNG, et cetera.

Mr. Silver: Transmission-line-specific, when will the line be submitted to YESAB for review, if it is to be shovel-ready for 2017?

Mr. Hall: The YESAB application went in in November.

Mr. Silver: We'll move on to YDC's strategic plan, which outlines strategic goals, one of which indicates that YDC will be working with the government and YEC to develop a comprehensive energy communications strategy. Is this document finished and if not, when will it be available?

Mr. Ferbey: At this time, we have a collaborative approach with Yukon Energy Corporation. We are into our second year of our strategic plan from 2015 to 2020. We're entering into our business planning session, which is in January, in advance of a training session that we have with the Institute on Governance and, with that, on our work plan for this next coming year, is sitting down and formalizing our communication strategy with our subsidiary and of course our other energy partners. So that is work that will be ongoing this next year.

Mr. Silver: In light of the time, I'm going to string a few questions together here. I was wondering if we could have a copy of the annual implementation plan that attracts projects in the annual protocol agreement and also the LOE — as well as the strategic plan and the annual YDC business plan. Also, if we could have copies of the 2015 business plan if it's not on the website — could it be tabled in the House? The strategic plan also calls for the development of First Nation business relationships. What partnerships have been achieved in relation to this goal so far?

Mr. Ferbey: To date, we have business relationships with the Na Cho Nyäk Dun and also the Tr'ondëk Hwëch'in. We are concluding a business arrangement with the KDFN.

In terms of our business plan, we are entering into our business planning session in January, which we, at the board's discretion, would put on the webpage, just as our strategic plan is also on our webpage. Within that, when you talk about the implementation plan, what we have is our ongoing yearly work plans and we will present that, of course, within our operational plan for our business plan and we will potentially put those on our webpage as we've done with all of the other documents to allow the public dissemination of our corporate records and our corporate documents — and of course, all our planning materials.

Mr. Silver: I'll keep on standing up until you tell me we're done here.

I'm going to move on to the shareholder letter of expectations 2015-16 from YDC to YEC. What strategic direction and policy advice has Yukon Energy been given in 2015 by YDC regarding government's priorities and public policy objectives?

Mr. Ferbey: The protocol letter and the shareholder letter of expectations — in essence, a lot of the language and sentiment as also captured in our strategic plan. One of the areas is to supply cost-effective energy — of course, environmentally friendly and sustainable — with the support of YEC and their mandate; in addition to that, the accountability framework between YDC and YEC — which, in essence, bolsters and strengthens our fiduciary responsibilities; our HR planning on areas where we do have two new board members; and, of course, also how we fit within the fiscal framework.

The policy direction that we received, as our chair mentioned earlier, is that we fit broadly in the energy strategy, for example, as the energy strategy and the climate change action plan are guiding documents for our organizations. We also contemplate and have an implementation role in the IPP and we look at microgeneration. Any other government pronouncements, if they have energy involved, we would, in essence, be working at an administrative level in working groups. That has been an ongoing responsibility — that we have to fit within the policy framework of the Yukon government.

Hon. Mr. Cathers: Madam Chair, I would like to thank the witnesses for coming here today, as well as thanking all four of them and the boards of both Yukon Development Corporation and Yukon Energy Corporation for the work that each and every one of them does.

I would also like to acknowledge the staff of both Yukon Development Corporation and Yukon Energy Corporation, who are doing everything from keeping the lights on, as we speak, to planning for the next 50 years of Yukon's energy needs.

Chair: Thank you, Mr. Cathers. The witnesses are now excused.

Witnesses excused

Mr. Elias: I move that the Speaker do now resume the Chair.

Chair: It has been moved by Mr. Elias 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. 20, entitled *Second Appropriation Act, 2015-16*, and directed me to report progress.

Also, Mr. Speaker, pursuant to Committee of the Whole Motion No. 12, witnesses from the Yukon Development Corporation and the Yukon Energy Corporation appeared as witnesses before Committee of the Whole from 3:30 p.m. to 5:30 p.m. today.

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.

As the time is 5:31 p.m., this House now stands adjourned until 1:00 p.m. tomorrow.

The House adjourned at 5:31 p.m.

The following sessional papers were tabled December 14, 2015:

33-1-186

Yukon Liquor Corporation Annual Report — April 1, 2014 to March 31, 2015 (Hassard)

33-1-187

Yukon Housing Corporation Annual Report for the year ended March 31, 2015 (Hassard)

33-1-188

Yukon Health and Social Services Council 2014-2015 Annual Report (Nixon)

33-1-189

Yukon Child Care Board Annual Report — April 1, 2014 – March 31, 2015 (Nixon)

33-1-190

Health Care Insurance Programs — Health Services — 2005-2015 — Annual Report April 1, 2014 to March 31, 2015 (Nixon)

33-1-191

Annual Report to the Legislative Assembly on Complaints Received and Disposed of pursuant to Section 25 of the Environment Act (December 14, 2015) (Istchenko)

The following document was filed December 14, 2015:

33-1-122

Yukon Lottery Commission 2014-2015 Annual Report — Celebrating 40 years (Hassard)