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HANSARD

Tuesday, December 15, 2020 — 1:00 p.m.

Speaker: The Honourable Nils Clarke

YUKON LEGISLATIVE ASSEMBLY

2020 Fall Sitting

SPEAKER — Hon. Nils Clarke, MLA, Riverdale North
DEPUTY SPEAKER and CHAIR OF COMMITTEE OF THE WHOLE — Don Hutton, MLA, Mayo-Tatchun
DEPUTY CHAIR OF COMMITTEE OF THE WHOLE — Ted Adel, MLA, Copperbelt North

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Hon. Sandy Silver	Klondike	Premier Minister of the Executive Council Office; Finance
Hon. Ranj Pillai	Porter Creek South	Deputy Premier Minister of Energy, Mines and Resources; Economic Development; Minister responsible for the Yukon Development Corporation and the Yukon Energy Corporation
Hon. Tracy-Anne McPhee	Riverdale South	Government House Leader Minister of Education; Justice
Hon. John Streicker	Mount Lorne-Southern Lakes	Minister of Community Services; Minister responsible for the French Language Services Directorate; Yukon Liquor Corporation and the Yukon Lottery Commission
Hon. Pauline Frost	Vuntut Gwitchin	Minister of Health and Social Services; Environment; Minister responsible for the Yukon Housing Corporation
Hon. Richard Mostyn	Whitehorse West	Minister of Highways and Public Works; the Public Service Commission
Hon. Jeanie McLean	Mountainview	Minister of Tourism and Culture; Minister responsible for the Workers' Compensation Health and Safety Board; Women's Directorate

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Brad Cathers	Lake Laberge	Patti McLeod	Watson Lake
Wade Istchenko	Kluane	Geraldine Van Bibber	Porter Creek North

THIRD PARTY

New Democratic Party

Kate White	Leader of the Third Party Third Party House Leader Takhini-Kopper King
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**Yukon Legislative Assembly
Whitehorse, Yukon
Tuesday, December 15, 2020 — 1:00 p.m.**

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

Prayers

DAILY ROUTINE

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

Introduction of visitors.

INTRODUCTION OF VISITORS

Hon. Mr. Streicker: I would like everyone please to welcome today — je vous présente: Émilie Dory, directrice, Les EssentiElles; Maryne Dumaine, présidente, Les EssentiElles; Nancy Power, Communications and Policy manager — pour la direction des services en français — et André Bourcier, directeur, direction des services en français.

Applause

Speaker: Tributes.

TRIBUTES

In recognition of Les EssentiElles 25th anniversary

Hon. Mr. Streicker: Aujourd'hui, je rends hommage à l'organisme francophone Les EssentiElles, qui célèbre ses 25 ans d'existence cette année.

Cet organisme engagé et inclusif offre une multitude de programmes et de services pour aider les femmes et les personnes trans ou non-binaire du Yukon à s'épanouir au quotidien.

Les EssentiElles portent bien leur nom. Elles font un travail indispensable pour faire avancer la justice sociale et le féminisme au territoire.

En plus de promouvoir l'inclusion et l'égalité de tous, elles travaillent à abolir des problèmes de société comme les inégalités économiques, la violence fondée sur le genre, ainsi que les agressions sexualisées. L'implication sociale des EssentiElles se traduit également auprès des jeunes familles yukonnaises. Avec le programme Mamans, papas et bébés en santé, les nouveaux parents bénéficient de ressources et services gratuits pour préparer l'arrivée des nouveau-nés.

La mission des EssentiElles va jusque dans nos écoles. Elles livrent des cours sur l'éducation sexuelle et le féminisme à nos élèves francophones et d'immersion. Les EssentiElles contribuent ainsi à former une jeunesse tolérante et informée. En cherchant à abolir les discriminations, elles participent à créer un territoire plus sécuritaire pour tous les Yukonnaises et les Yukonnais.

Du 25 novembre au 10 décembre dernier, elles ont contribué à l'initiative internationale Seize jours d'activisme pour mettre fin à la violence basée sur le genre.

Je les félicite pour cette campagne de sensibilisation menée avec succès malgré les défis de la COVID-19. Je salue les

EssentiElles pour 25 ans de soutien et d'action, ainsi que pour l'inauguration récente de leurs nouveaux locaux au centre-ville de Whitehorse.

I congratulate Les EssentiElles for 25 years of support and activism as well as for the recent opening of their new location in downtown Whitehorse.

Merci à la présidente sortante, Jocelyne Isabelle, ainsi qu'aux membres du conseil d'administration pour votre leadership, et bienvenue à la nouvelle présidente.

Thank you to outgoing president Jocelyne Isabelle and the entire board of directors for their leadership, and welcome to the new president incoming.

Merci aussi à Émilie Dory, au personnel et aux bénévoles de l'organisme pour votre dévouement.

Thank you to Émilie Dory, all the staff and volunteers for working so hard every day.

Au cours des 25 dernières années, vous avez contribué à faire du Yukon un endroit inclusif et bienveillant, où toutes ont une chance égale de réaliser leur plein potentiel.

Applause

Ms. Van Bibber: I will do mine in English, but congratulations — that was well done.

I rise on behalf of the Yukon Party Official Opposition to pay tribute to Les EssentiElles as they celebrate their 25th anniversary. Since 1995, their mandate is to support and advocate on behalf of francophone women, youth, and families and to build awareness around a number of community-based issues. The many programs include, but are not limited to, the well-being of women and encouraging a healthy quality of life among all francophone Yukoners. It has many well-thought-out and deliverable products. There are education and youth programs that educate youth about sexuality, the feminist movement, and non-traditional professions for young women, and there are social justice programs to prevent and raise awareness of violence against women and to fight poverty. As well, workshops and themes of elder abuse and child abuse have been organized. These issues affect all walks of our society and are not owned by any one race or culture.

As with other minority groups, they strive for representation and promote the rights and interests of francophone women in Yukon.

Les EssentiElles provides support to many during the holiday season. We commend them for gathering gifts and raising funds to help those in need. Their flagship program helps new parents with various workshops and assistance. The pandemic has forced changes and adaptation, such as delivery of meals now boxed and handed out as opposed to in-house dining.

Shortly after its formation, from 1996 to 2001, Commissioner Angélique Bernard worked as a development officer with Les EssentiElles and was one of the first employees. As with many who just came for a short period, Yukon caught her spirit and she stayed. Today we are honoured to have this lovely francophone woman represent all Yukoners. Well done, Madam.

We would like to commend this organization for their incredible dedication to our vibrant francophone community. Congratulations on moving into your new office space and know that this will only enhance what you have already achieved. Good works should be lauded, especially at the giving time of the Christmas season. The joy of sharing and helping others is what Les EssentiElles does, and it does it well.

Thank you Émilie Dory, executive director, all the staff, and those who have made Les EssentiElles a vital and strong organization within our community. It will be a quieter holiday for many of us. Take care of each other, and best wishes.

Applause

Ms. White: Ça me fait plaisir de prendre la parole pour souligner les 25 ans de l'organisme les EssentiElles. Je veux saluer le travail de nombreuses femmes qui ont contribué au fil des ans à faire de cette organisation un pilier des communautés francophones et féministes du Yukon.

Les valeurs de féminisme, d'autonomisation, d'ouverture et d'inclusion sont au cœur de toutes les actions des EssentiElles.

Les Essentielles portent la voix collective des femmes francophones du Yukon et travaillent activement à améliorer leurs conditions de vie, et je dirais même les conditions de vie de l'ensemble des Yukonnais parce qu'une société plus égalitaire bénéficie à tous et toutes.

Le travail des Essentielles est vaste et comprend l'organisation d'activités sociales, les campagnes de sensibilisation, la représentation des événements artistiques, et un programme d'appui aux jeunes familles pour ne donner que quelques exemples. Mais par-dessus tout, Les EssentiElles, c'est une connexion et un sens de communauté pour les femmes francophones.

Alors, pour tout votre travail, je tiens à remercier celles qui, hier comme aujourd'hui, ont contribué à faire des EssentiElles une histoire à succès. Tout particulièrement, merci à Maryne, Julie, Isabelle, Jocelyne, Mélodie, Émilie, et Camille qui composent le conseil d'administration et le personnel des EssentiElles cette année.

Applause

In recognition of Salvation Army Christmas kettle campaign

Mr. Istchenko: I rise on behalf of the House to pay tribute to the Salvation Army in support of their annual Christmas kettle campaign. For more than 100 years, the annual Christmas kettle campaign has been an easy way for people to contribute as little or as much as they are able to through the Christmas kettles positioned throughout the community. Money raised goes directly to support local programs and organizations through the work of the Salvation Army volunteers.

This year has posed many challenges for many organizations throughout our community. Fundraising in a pandemic has proven to be difficult. Organizations are seeing a major reduction in donations, and fewer volunteers are able to help. These challenges are affected in this year's Christmas

kettle campaign. There are restrictions on how local kettles are deployed. In response to COVID-19-related concerns, the Salvation Army has found options to reduce the risk of transmission. Kettle locations will be sanitized and, in keeping with the guidelines, there are devices at a couple of the kettles where people can tap their cards to donate.

This season, the Salvation Army has also set up a virtual kettle for those who may prefer to donate online. Your donation will help vulnerable people in our communities during this Christmas season and throughout the year. By filling the virtual kettle, you can help to restore hope and dignity to those most in need.

This year, the Salvation Army will be donating a portion of their funds collected during the kettle campaign to the Share the Spirit Yukon organization by the Whitehorse Firefighters Charitable Society. The program has grown immensely over the last five years. Share the Spirit Yukon has become the biggest geographic Christmas support program in Canada, and here it is covering communities across the territory. They have managed to cover over 2,000 kilometres and 11 Yukon communities, delivering gifts and food to 460 families before Christmas. It takes a lot of elves to organize and execute the delivery of all the gifts, working closely with Santa Claus to ensure that all goes smoothly — no doubt, Mr. Speaker.

Thank you to the Whitehorse Firefighters Charitable Society for your work year after year, to the many donors throughout the community, and, of course, all of the volunteer elves for giving their time and energy to the program. Again, most importantly, we want to thank all those who volunteer with the Salvation Army on their annual kettle campaign and all those who donate.

If you are able, please visit the kettle this year or visit the Salvation Army website to make a donation online to help fill their virtual kettle.

Applause

Speaker: Are there any returns or documents for tabling?

TABLING RETURNS AND DOCUMENTS

Hon. Mr. Pillai: Mr. Speaker, I have for tabling the Yukon Energy Corporation's *10-Year Renewable Electricity Plan Technical Report*.

Mr. Cathers: Mr. Speaker, I rise today to table, first of all, a letter to the Minister of Community Services, dated December 21, 2018, regarding improving support for Yukon's EMS volunteers. I am also tabling one from February 19, 2019, regarding EMS, as well as a reply from the Minister of Community Services dated March 27, 2019, regarding EMS.

Hon. Mr. Streicker: Mr. Speaker, I have for tabling further statistical analysis of the Legislative Assembly comparing this Assembly with the 33rd Assembly.

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

Are there any reports of committees?
 Are there any petitions to be presented?
 Are there any bills to be introduced?
 Are there any notices of motions?

NOTICES OF MOTIONS

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

THAT this House urges the Minister of Health and Social Services to provide the following information:

- (1) the average wait time to see a psychiatrist in the Yukon;
- (2) the number of patients who are currently waiting to see a psychiatrist; and
- (3) a list of who she has consulted with, if anyone, before deciding that the Yukon doesn't need another psychiatrist.

Speaker: Are there any further notices of motions?
 Is there a statement by a minister?

MINISTERIAL STATEMENT

Yukon Energy Corporation grid-scale battery renewable electricity project

Hon. Mr. Pillai: Mr. Speaker, today I am pleased to share that the Yukon Energy Corporation has advanced another renewable electricity project in Yukon — a grid-scale battery in Whitehorse.

The new seven-megawatt battery is a critical investment in Yukon Energy's ability to meet the growing demand for electricity and to secure Yukon's energy future. The battery will help maximize the use of renewable electricity to meet peak demands for power, burn less diesel fuel, and improve the reliability of our grid. The battery will also provide stability to the grid as new intermittent renewables are added. It is a critical building block to support future renewable electricity projects in the territory and Yukon Energy's goal of generating an average of 97-percent renewable electricity by 2030.

Today, Yukon Energy Corporation announced that it has issued the first stage of a two-stage competitive procurement process for a battery vendor. This process invites battery vendors from around the world to take part in this exciting chapter of Yukon's history. Kicking off the competitive procurement process for the battery is a critical milestone for this project.

When complete in 2022, Yukon Energy's battery in Whitehorse will be the largest grid-scale battery in the north and one of the largest in Canada. A great deal of work has gone into the project to date, including early engagement with Kwanlin Dün First Nation and Ta'an Kwäch'än' Council. This past fall, Yukon Energy also set out to gather public feedback about the battery and the three sites being considered for the project. I am happy to share with members of the House that, based on the public feedback received, Yukon Energy Corporation and Kwanlin Dün First Nation have decided to remove the proposed site on the north Klondike Highway from consideration. The final site for the battery is expected to be announced once lease terms have been finalized.

I would like to recognize and thank Yukon Energy Corporation, Kwanlin Dün First Nation, and Ta'an Kwäch'än' Council for working together to advance this very important project. I would also like to recognize and thank the Government of Canada which, through the green infrastructure stream of the Investing in Canada infrastructure plan, is helping to fund this project. Their investment of \$16.5 million in the battery helps cut the cost of this project by about half and helps the Yukon get one step closer to meeting our emission reduction targets.

Mr. Kent: Mr. Speaker, thank you for the opportunity to speak to the battery storage project today. I do have a couple of questions for the minister. He announced that the government has issued the first stage of the competitive procurement process for the battery project, so we're curious if the new First Nation procurement policy will apply to this.

With respect to the battery project, I also had some questions about the budget for it. On November 20, 2018, the minister told this Legislature that the cost of the battery project would be \$19 million. A September 5, 2019, press release from the Government of Yukon says that the total cost of the battery will be \$25 million. However, the general rate application that the Yukon Energy Corporation submitted to the Yukon Utilities Board last month states that the total cost of the project has now gone overbudget to \$29.4 million.

Finally, today the minister, at the end of his statement, said that the federal investment of \$16.5 million cuts the cost of this project in half. Perhaps the minister misspoke, but that would mean that the total cost of the project is actually \$33 million, not the \$29.4 million that the corporation has included in its submission to the regulator. Hopefully, the minister gets a chance to clarify that for us in his response.

Does the general rate application to the Yukon Utilities Board underestimate the total cost of the project by several million dollars? Or was he wrong in his earlier remarks?

In any event, it appears that the project is now significantly overbudget from original estimates. Why has the project gone almost \$10 million or more overbudget from what the minister told us two years ago and over \$4 million overbudget from what the minister told us over a year a half ago?

I also have a question with respect to timelines. The 2017-18 general rate application states that construction and commissioning of the battery's storage was supposed to start in 2019. In today's ministerial statement, the minister stated that the project will be complete in 2022 — three years late from the original forecast. When will there be an announcement on the final location? How are negotiations going with Kwanlin Dün First Nation and the Ta'an Kwäch'än' Council? When does the minister anticipate a submission going toward YESAB?

Ms. White: Mr. Speaker, when we look toward a greener and more environmentally conscious future, I, like many others, believe that the future lies with technology.

A new report co-authored by energy expert Tony Seba predicts that the combination of solar and wind energy, with batteries, could undercut and disrupt the existing global energy

system of what they call the “cheapest power available” over the next decade. Seba and co-author Adam Dorr released their report *Rethinking Energy 2020-2030 100% Solar, Wind, and Batteries is Just the Beginning*. Their independent think-tank RethinkX uses data to analyze and forecast the scale and speed to technology-driven disruption and the implications that these disruptions have on society. They believe that, with the cost reduction and proficiency increases in solar power, wind power, and lithium ion battery energy storage technologies, these three key technologies together have the potential to have the fastest, deepest, and most profound disruption of the energy sector in over 100 years.

Change is uncomfortable, and it can even be intimidating. When we look at expanding Yukon’s energy grid and moving away from what we know — hydro and fossil-fuel generation — to what we know less, well, this change can be uncomfortable.

Installing a lithium battery to our grid isn’t about storing weeks or even days of energy. It’s about storing enough energy to bridge temporary gaps. When planning for the location of this battery asset, we believe that effects on the individuals and the environment should be considered. We appreciate that the north Klondike Highway option has been taken off the table. We understand hydro generation and we understand fossil-fuel generation. As we better incorporate our budding solar knowledge into a mixed set that includes what we know and what we are learning, the future is very bright. So, I look forward to the day when we have a combination of hydro, wind, solar, and storage solutions that displace our dependence on fossil-fuel generation to bridge any energy shortage that we may face.

Hon. Mr. Pillai: Mr. Speaker, I appreciate the comments from the opposition. I’m not shocked at the tone from the Official Opposition. I think there is going to be great opportunity today when we have the president of the Yukon Energy Corporation as well as the president of the Yukon Development Corporation here with us. We’re going to have an opportunity to really demystify some of the misinformation that we’ve heard over the last 40-plus days here concerning generation or some of the backup generators that we’ve rented — why we rented them, our plan going forward.

This particular theme of misinformation — we’ve seen it of course throughout the last 40-plus days — whether it has been attacks on the Minister of Health concerning the good work that she has been doing — and the data shows that we’ve been making the right decisions — myself working with the Minister of Tourism on putting programs out — again, being attacked on those programs — again, those programs being very effective — then the whole energy file.

I think today we’re going to have a real opportunity. We’re looking for good questions there. Concerning a couple of points that were made, we can clarify today with the presidents. Usually, there’s a procurement policy that’s used by Yukon Energy that is separate from government, but we’ll talk to the folks who lead that corporation. We’ll talk about pricing and what has happened in the battery market, what the demands

have been like, and what that has done to pricing. We’ll find out again. Again, as we move through this process and we learn more — this is something that’s very new technology — I’ll leave it at that without going into the other pieces on long remarks.

I appreciate the Leader of the Third Party and her comments. I mean, inevitably, this is a building block. If you want to have wind, you want to have solar, you want to maximize the use of it, you want to be able to store it because that’s intermittent power and this is a key to all of that work. First there was the IPP that we did and then we have moved into this. So, I appreciate the support.

Our government is very pleased to announce progress on another renewable electricity project — a grid-scale battery. The new seven-megawatt battery is critical to investment in Yukon Energy’s ability to meet our growing demands for electricity and to secure Yukon Energy’s — just to think about the size of this, Mr. Speaker, the battery energy storage system is expected to be about the same width and half the length of a CFL football field and the height of two people — just to give you a sense. We’ll have an opportunity to find out when the YESAB application goes in, but I think that will probably be after we actually source the battery that we’re looking to use. The battery will help maximize the use of renewable electricity and meet peak demands for power, burn less diesel fuel, and improve the reliability of our grid. The battery is a key project in the corporation’s 10-year plan, which we have tabled today — just a fantastic plan that really has a road map on how we are moving toward a clean energy future.

Again, as I noted earlier, this is a two-stage competitive procurement process for a battery vendor. When complete, Yukon Energy’s battery in Whitehorse will be the largest grid-scale battery in the north and one of the largest in the country. I feel that, from what I have heard, negotiations are going well, as I was asked. I want to thank Kwanlin Dün First Nation and Ta’an Kwäch’än Council for their work on this particular process. I think that what we have said is that we want to make sure that it is finalized, and then we can announce the location for this very exciting project.

Again, I urge media and others today to please take a listen to some of the comments and questions that will happen today at 3:30 p.m., because it really gives an opportunity for the Yukon Energy Corporation and Yukon Development Corporation to talk about the multitude of projects that we are working with First Nations on out in the communities and other private sector players, as well as the portfolio that is being enhanced by Yukon Energy Corporation itself.

Speaker: This then brings us to Question Period.

QUESTION PERIOD

Question re: Crime rate statistics

Ms. Van Bibber: Mr. Speaker, according to the Yukon Bureau of Statistics, Yukon’s 2019 police-reported crime rate increased by over 21 percent, compared to the previous year. As a result, Yukon’s crime rate is now the third-highest in the country.

Will the government give the RCMP increased resources to help address this surge in crime?

Hon. Ms. McPhee: Mr. Speaker, the question is an important one for Yukoners. I think that the RCMP resources question and the connection to Yukon crime rates aren't exactly matched, but they are an important response to Yukon's safety.

The Department of Justice works very closely with the RCMP to ensure professional, efficient, and effective territorial policing services that represent a worthwhile investment and promote the principles of public trust, transparency, and accountability. Through significant ongoing investments in police resources by the Government of Yukon, the territory has one of the highest police-per-capita ratios in Canada, averaging one RCMP member for 306 people.

Through our partnership with the RCMP, our multi-year financial plan is updated on an annual basis, and the five-year plan highlights the RCMP's forecasts related to the human resources requests, funding requirements, and capital planning here in the territory.

Ms. Van Bibber: The crime statistics indicate that reported sexual assault crime has increased by 95 percent in just a couple of years. What actions has the government taken to address the issue of sexual assault in the territory?

Hon. Ms. McLean: Mr. Speaker, in March of 2020, the sexualized assault response team was implemented in Whitehorse with expanded and improved services available to victims of sexualized assault, including emotional, medical, and legal supports. Key components of SART include: a 24-hour confidential toll-free Yukon-wide support line for all victims of sexualized assault; victim support workers available for after-hours support on weekends; and a roster of on-call physicians specifically trained to support victims of sexualized assault. All SART agencies worked closely together to ensure that services continued throughout the pandemic as well, with some modifications where necessary to accommodate the public health measures.

This has taken a tremendous amount of one-government approach efforts. We have worked closely with Justice, Health and Social Services, and our community partners to ensure that we have complete wraparound services. Last week, we also saw the release of the Missing and Murdered Indigenous Women and Girls and Two-spirit+ strategy that will go a long way to addressing sexualized assault and violence against women in our north.

Ms. Van Bibber: Mr. Speaker, drug-related violations have also increased by over 42 percent in the last couple of years. Additionally, as we have discussed, several elements of criminal and violent activities have increased over the years. Yukon has, again, the third-highest crime rate in the country. More needs to be done.

When will the government take action to address these drug-related violations?

Hon. Ms. McPhee: Mr. Speaker, the RCMP provide an amazing service here in the territory to Yukoners. We have a territorial policing agreement that funds the RCMP as our police service here in the territory.

They have been working extremely hard with respect to targeting specific types of crimes — as those mentioned by the member opposite. They have participated in our development of the sexualized assault response team. They have major crime units and they have a historical case unit that are funded in partnership with the Yukon government for the purposes of investigating crime, investigating serious crime, and making sure that the streets of the Yukon are safe.

There are additional programs and policies coming through the federal RCMP. There are national policing priorities as well as our local policing priorities. As a matter of fact, I was on a call this morning where police services and policing priorities — in particular, indigenous policing priorities — were a topic with ministers from across the country. The opportunity for the national police service and for the Yukon RCMP to serve our community well is here and supported by this government.

Question re: Emergency services in communities

Mr. Cathers: In most Yukon communities for both fire protection and emergency medical services, we depend on volunteers. They need the government to provide the proper equipment and training. A few days ago, we were reminded of what can happen when there are gaps in emergency services when a Keno City hotel was destroyed in a fire. As reported by CBC this morning, some community residents are now calling for a public inquiry into the state of fire protection. The residents state that the fire truck was removed from the community without notice in April 2019.

Will the Minister of Community Services tell us his response to these reports?

Hon. Mr. Streicker: I would just like to begin by expressing our sadness about the fire in Keno and just that we are happy that no one was hurt. We are just thankful that there wasn't any injury or loss of life.

I said yesterday in this House — and I will say it again — that I am perfectly willing to work with the community of Keno and to talk with the folks there. They wrote a letter asking for us to get an independent investigation. I wrote back and said, "Yes, let's do that."

I also think it's important that we understand that, in order to have a volunteer fire department in our communities, we do need volunteers. I said yesterday and will say again that certainly we will support with equipment and with training, but we will need to have folks who are willing to step forward as volunteers in order for us to get a volunteer fire department — to make sure that, when people go and try to protect our lives and to serve us, they are able to do so in a safe way.

Mr. Cathers: In recent years, we've seen a growing problem in rural communities with gaps in fire protection and emergency medical services. Gaps in emergency service coverage are becoming more common. Service in some of our communities literally depends on a few dedicated people. Our volunteers cannot shoulder the burden alone. It is clear that government needs to do more to recruit volunteers and support them. Instead, we've seen government failing to ensure that volunteers have uniforms, not meeting training commitments,

taking the four-by-four ambulance away from Tagish EMS, and the list goes on.

Today I tabled letters that I wrote to the Minister of Community Services two years ago about this. One step that would help is being more open and sharing information about gaps in coverage.

Can the minister please tell us which fire halls managed by his department are currently not at operational status due to either a lack of equipment or a lack of volunteers?

Hon. Mr. Streicker: I'll note that I'm having a tough time hearing the member opposite, so I'm going to do my best to respond, but it's challenging on some of the things.

First of all, I don't know of any volunteer fire hall where the problem is lack of equipment. I will certainly check in with the branch to make sure that I'm correct with that statement.

There are places — I mentioned yesterday in the Legislature. Pelly has not had volunteers for some time, but recently, several volunteers stepped forward. We're working to get them trained up now.

So, there are challenges at all times. It's also true that some of our populations are aging. With that, we get people who retire from even the volunteer fire service and volunteer EMS, and that's a challenge.

We also know that nowadays we have to put in place more rigorous training requirements because safety is so paramount. If people are doing us the great service of coming forward to support and keep our communities safe, we must also support them and make sure that they're going to be able to be safe.

I'll respond further in the final question.

Mr. Cathers: The Minister of Community Services has been in his role for four years. We've raised concerns with him on many occasions about the strain on our fire and EMS volunteers and have called on the government to do more to support our volunteers and to do a better job of ensuring that our rural communities have emergency service coverage. The minister keeps telling us how much he appreciates our volunteers, but talk is cheap, Mr. Speaker. We're looking for action.

Has the government now realized that they need to do more to support fire protection and EMS in rural Yukon? If so, can the minister tell me what he plans to do about it?

Hon. Mr. Streicker: I hope that I always show appreciation for all of these volunteers. I think that they deserve it from all of us.

Also, I have said many times and I will say again that I am happy to try to do more. I think that it is always important that we look at ourselves to make sure that we are doing all that we can and to assess the work that we are doing. So, I don't claim that there aren't places where we can be more supportive.

The member opposite, in his second question, asked me about the Tagish four-by-four. What I will say to the member opposite is that, in the background, I was getting correspondence from multiple folks from the Tagish fire hall saying yes to that piece of equipment and no to that piece of equipment. What we really want to do is follow the lead of our communities and try to support them in the way that they direct,

but it isn't always so straightforward with respect to which is the best piece of equipment.

What I will say is that I don't think equipment or training should be the barrier, and it is not, as far as I understand. Right now, what we need to do is to support our volunteers, and the best way that I can do that is to say thank you to all those volunteers who are working to keep our communities safe. So, thank you to them, Mr. Speaker.

Question re: Wage top-up program

Ms. White: Canada is funding a wage top-up program for essential front-line workers who make less than \$20 an hour, but the program has to be accessed by employers, which means that workers are penalized if their boss doesn't apply. I have raised this concern with the minister before, but he dismissed the concern and questioned if there was a problem at all.

So, last week, I asked on Facebook — for anyone who didn't get the benefit. With a single Facebook post, over a dozen employees and even one employer reached out. I directed them to contact their employer or the department, but many employees indicated that they already did and that their employer refused to apply.

So, will the minister do what is right and ensure that essential workers can access the wage top-up program that they deserve, even if their employer doesn't apply on their behalf?

Hon. Mr. Pillai: I appreciate the efforts of the member opposite. Again, I urge anyone who is having challenges with this particular program or with their employers to reach out to the department. As I offered before, we can do this in an anonymous fashion. We spoke about this in the House at length. I appreciate that there were some remarks on social media that the Leader of the Third Party received. I think that what we really need to do is to have those individuals reach out.

I think I heard that this happened last week. I will check with the officials once we conclude Question Period today. I have not heard of any updated information where folks have reached out. I am not saying that this hasn't occurred, but in my bilateral meetings where I am updated on all these programs on a weekly basis, there was no new information that individuals were frustrated with not being able to have their employers reach in and use that program.

I will endeavour to get some information from the department, and I urge the member opposite, if she is talking to folks, to have them reach out.

Ms. White: I have. What the minister doesn't seem to understand is that, if a dozen people contact me because of a single social media post, there are likely many more essential workers out there who have not received the benefit that they deserve. The Government of Canada has allocated over \$7 million to Yukon for this program. The latest available figures show that Yukon has so far left \$3 million on the table. It should be the minister's top priority to make sure that any essential front-line worker who has been excluded from the program through no fault of their own receives this benefit. Instead, the minister is standing in this House and denying that the problem even exists.

What is the minister's advice to a worker who has approached their employer and the department but still can't get the wage top-up because their employer won't apply?

Hon. Mr. Pillai: I just want to set the record straight. We received the money from the federal government for this particular program and put a particular cashflow in place, which then, of course, wasn't as utilized to the level it could have been. We went back and looked at the best way to maximize the amount of money that we still had in place based on the top-up up to \$20 — the \$4 top-up — and then projected that we would max that out and use it to the best of its ability. Money that might have been on the table is now the money that we are using to extend this particular program.

Again, I have to say for the record that the only person whom I have heard from about problems with the program is the Leader of the Third Party. What would I say to her question? I would say, as I said in the press conference and as I have said here in debate, that if folks want support or for us to lean in, please reach out to the office. They can approach us as they wish. We will reach out to particular employers. Maybe they need more information. Maybe they were concerned about some of the costs that would be incurred in providing this program. We can let them know that we have upped it from \$50 to \$100 per employee. Again, we are here to help, but anecdotal doesn't help — we need the data.

Ms. White: Sadly, the minister is trying to make this about me, but it's not. It's about his program that is not working for workers, yet he still refuses to fix it. I have absolutely zero doubt that the minister's department is full of competent, hard-working people who can find a fix to this problem. The only thing missing here is the political will and leadership by this minister. We are not asking him to change the program. It's working for many people and that is great, but out of fairness to essential front-line workers, there has to be a way to access the wage top-up for those whose employers are not cooperating. It makes no sense to penalize workers for something that they have no control over.

Will the minister do the right thing for essential workers and direct his department to create an avenue for essential workers to access the wage top-up when their employer will not apply?

Hon. Mr. Pillai: It's always interesting when the question that is posed starts off by saying that I'm making it about the member opposite, and then you get a personal jab with the next sentence.

We have had the ability to provide a tremendous amount of opportunities for folks to be respected for the work that they're doing by giving them that top-up. What we get today is the member opposite saying that I'm lacking leadership but, in response, it's: "I got a note on Facebook; you need to change your program." I need more than that. I think that anyone would say —

Some Hon. Member: (Inaudible)

Hon. Mr. Pillai: Fantastic — the member opposite said that it's coming, so we'll leave it for today. We will get that information and then we will proceed.

Question re: Early learning and childcare programs

Mr. Kent: Access to quality, well-designed early childhood education programs enhances the academic and socio-economic outcomes of young children. For children, access to such programs can lead to increased earnings and better health and social behaviour as adults. It also helps to mitigate early developmental challenges.

One way to ensure that these programs are well-designed is by assigning responsibility for young children to one department that combines policy-making, funding, and regulatory powers. It is clear that a single department with oversight for childcare as well as kindergarten and other Education-funded preschool programs is optimal.

Will the Minister of Health and Social Services commit to shifting early learning and childcare services from Health and Social Services to the Department of Education?

Hon. Ms. Frost: I am always happy to rise to speak about children, particularly the early learning childcare program that we have here in the Yukon. It is an exceptional program that invests in children. Certainly, a priority of this government is ensuring high-quality childcare, early stages of children's learning and development, success in school — which contributes to productive adults and families — and supporting the whole family.

I'm very excited about the extension of the early learning childcare program. We've essentially negotiated a multilateral agreement with Canada. We are currently in negotiations. In fact, today we are having a further discussion to have a meeting with the federal minister to speak about the synergies between education and early learning — always of consideration for this side of the House — and efforts that we've already put in place. I'm happy to know that the Official Opposition is finally catching up and thinking about something that should have happened years ago. We're moving in that direction, and I'm very pleased about that.

Mr. Kent: So, the challenges of COVID-19 have certainly shone a light on some of the inadequacies of our current childcare model. Here's what the Yukon Child Care Board said in their report this fall — and I'll quote: "Very early on, ELCC was named an essential service, but not in the sense of early cognitive, motor, emotional and social development of children. Instead, it was frequently mentioned that child care is imperative to enabling parents, especially essential and critical service workers, to get to work. The development piece seemed to fall away leaving many that we spoke with feeling discouraged and under-appreciated."

Mr. Speaker, we believe that transferring childcare programming from Health and Social Services to Education would better entrench childcare in its rightful place as an important aspect of developing and educating our children. The minister, in her first response, indicated that this work is underway.

I'll ask her: When will the transfer from Health and Social Services to Education begin? When will Education fully take control of early learning and childcare?

Hon. Ms. McPhee: We certainly recognize that high-quality early learning opportunities support improved long-term outcomes for children in all aspects of their education and development. That is absolutely key to a strong and vibrant Yukon.

You will know, Mr. Speaker, as will members opposite, that the independent expert panel in its final report, *Putting People First*, made recommendations with respect to the conversation that we are having now. The panel also recommended that authority over early learning transfer from Health and Social Services to Education. This is something that we have been talking about for quite some time. This will ensure that early learning services are coordinated at all levels, including the transition into preschool and primary school years.

The departments of Education and Health and Social Services are working collaboratively on an affordable childcare model for Yukon that will encompass early childhood learning and the importance of having a coordinated approach to those programs.

Mr. Kent: Perhaps the minister didn't hear the question, but what I asked was: When will the transfer from Health and Social Services to Education begin, and when will Education fully take control of early learning and childcare?

So, housing early childhood programming in the Health and Social Services department has not allowed early childhood learning to fully link with the education system and kindergarten.

In addition to hopefully being able to respond to that second question that I asked, I'm going to ask the minister as well: What steps will the government take to integrate early learning and childcare programs into the education system and to ensure that there is a seamless link from childcare to kindergarten?

Hon. Ms. Frost: With respect to early learning childcare and the bilateral agreement with the federal government, the member opposite knows that the funding agreement generally ends at the end of March. In that time frame, we are working with the department to essentially transition.

We are collaboratively working also on an affordable childcare model for Yukon. That means considering, of course, the model of universal childcare. We are extremely pleased about the direction that we're going in. The renewal of the agreement carries forward a number of important initiatives to support Yukon families and childcare providers, increasing capacity for further education. We have integrated a K4 model. We continue to work with the Department of Education.

Most importantly, we have also integrated an initiative with the communities of Watson Lake and Dawson City on programs that were not supported historically. We're really excited about that initiative.

Some of the other things that we should speak about include the fact that we are now working with Yukon First Nations and stakeholders on implementing the recommendations from the *Putting People First* report and, of course, some of the recommendations that we received back from Yukoners.

Question re: Yukon First Nation procurement policy

Mr. Hassard: So, with respect to the First Nation procurement policy that the government announced last week, yesterday, when we asked the Minister of Highways and Public Works what consultation was done with the Yukon business community beforehand, the minister said — and I'll quote: "... we have also reached out and had a one-on-one meeting with businesses."

Can the minister tell this House how many businesses he or his department has had one-on-one meetings with before the policy was announced?

Hon. Mr. Mostyn: The First Nation procurement policy is the latest in a long line of procurement improvements that this government has implemented during its time in government. The procurement policy announced last Friday is the completion of a commitment to Yukon First Nations identified in the self-government agreements. These are legally binding agreements signed between the Yukon government and First Nation governments. I am going to repeat that — these are legally binding agreements signed between the Yukon government and First Nation governments.

Frankly, Mr. Speaker, they didn't get done by previous governments. More than 25 years ago, the *Umbrella Final Agreement* identified this as a commitment. Every subsequent final agreement included this commitment. This was not a new concept by our government. It was a long-standing commitment that had not been achieved for decades.

This policy will strengthen Yukon companies in their bids for government contracts. It will work to keep dollars in the territory, and it will be for the benefit of Yukoners — all Yukoners — in the years to come.

I know that the member opposite is going to repeat his question, and I am happy to answer it in a rebuttal.

Mr. Hassard: It is pretty bad when the minister knows that I am going to have to repeat my question because he didn't answer it.

We are talking about the process here, and the minister has told us that he has reached out and had one-on-one meetings with businesses. I asked if he could tell us who those businesses were and how many of those businesses these meetings have taken place with. So, I guess, while he is on his feet answering that question — hopefully, this time — maybe he can tell us also if he consulted with the Yukon Contractors Association before this policy was announced.

Hon. Mr. Mostyn: I will say — and I thank the member opposite for his question — that we know that this is a new approach for this government; it is a new approach for this territory. I understand that there are some jitters in the business community. That is one of the reasons why, when we approved the policy just last week — this Cabinet just approved the policy last week — the First Nations across the territory just endorsed the policy at the Yukon Forum on Friday, and as of Monday, the Department of Highways and Public Works was scheduling meetings with businesses.

That is after the policy had been implemented. However, we had spoken to the business community on this First Nation

procurement policy for more than a year. I have spoken to it at the various conferences of Highways and Public Works and reverse trade shows. I have been questioned on the policy here in the House.

Mr. Speaker, the Procurement Business Committee had detailed discussions about the policy in July and October. In October, the committee was provided with a summary of the actual policy, a presentation, and an opportunity to ask Procurement Support any questions they may have had. In October and November, we held several virtual information sessions for the business community. I am happy to go on, Mr. Speaker.

Mr. Hassard: We certainly didn't hear how many businesses the minister had spoken to. We also didn't hear about the consultation with the Yukon Contractors Association, so hopefully, the next time he is on his feet, he can give us some clarity about that association.

Section 11 of the policy is called the "Bid Value Reductions". It states that a First Nation business could receive a reduction of up to 15 percent off the price of its bid on a competitive tender. From my understanding, this means that, on a project, one company can bid \$10 million and another could bid \$11.5 million, and even though the high bid is \$1.5 million more than the lower bid, the government could favour the more expensive bid.

Can the minister confirm if my understanding of this section of the procurement policy is, in fact, correct?

Hon. Mr. Mostyn: I have a lot to say on this subject. I appreciate the member opposite continuing to ask questions because I have a lot of things to say. In October and November, we held several virtual information sessions for the business community, industry associations, and chambers of commerce. These sessions were well-attended and represented a variety of sectors.

Last week, Cabinet approved the policy, as I said. The policy was endorsed by all First Nations attending the Yukon Forum on Friday. We have staged the rollout of the policy to involve the business community. The full implementation of this policy will not happen until the end of April. That decision was taken for a very good reason. We wanted — after the policy was endorsed by Cabinet and the First Nations — to actually go out to the business community, and that is what we're doing, Mr. Speaker. I have had conversations with business leaders yesterday and today. The department itself has been speaking with business leaders and will continue to speak with them this week. In January, we are having public meetings on this policy. There will be lots of opportunity for conversation.

Mr. Speaker, this policy is going to provide a bulwark — a defence — for local companies to actually have some competitive advantages against Outside firms that do not have partnerships with Yukon First Nations. This is a great policy for the territory. It is going to improve the lives for all citizens in this territory.

May I remind the Leader of the Official Opposition that he said that the Teslin bridge did not get built in 2014 because they could not form the proper partnerships with First Nations.

Speaker: The time for Question Period has now elapsed.

Notice of government private members' business

Hon. Ms. McPhee: Pursuant to Standing Order 14.2(7), I would like to identify the items standing in the name of the government private members to be called on Wednesday, December 16, 2020. They are: Motion No. 350, standing in the name of the Member for Mayo-Tatchun, and Motion No. 387, standing in the name of the Member for Copperbelt North.

Some Hon. Member: (Inaudible)

Point of order

Speaker: The Member for Lake Laberge, on a point of order.

Mr. Cathers: The Government House Leader just called Motion No. 387 for debate tomorrow. I believe that may be in contravention of the Standing Orders, particularly in reference to Standing Order 19(f). That is, of course, because the subject matter of the motion is regarding Yukon Energy Corporation's *10-Year Renewable Electricity Plan Technical Report*. The plan mentioned in the motion is currently in a rate application that is in front of the Yukon Utilities Board which, as you know, is a quasi-judicial body. The application by Yukon Energy Corporation to the Yukon Utilities Board was made November 20, with a Yukon Utilities Board order regarding the process for public input on the rate application issued yesterday. The rate application does refer to the renewable energy report that is the subject matter of Motion No. 387.

I would also like to briefly quote the *Public Utilities Act* regarding this, in terms of the act, in section 52 — and I quote:

"Subject to the other provisions of this Act and the regulations and to the need to abide by the fundamental principles of justice, the board in respect to any inquiry or hearing

(a) has the exclusive jurisdiction and authority to determine any question of fact, law, or mixed fact and law required to be decided;

(b) may receive any evidence or other information that it considers appropriate, whether or not the evidence is given under oath or affirmation, and whether or not it would be admissible in a court of law;

(c) has the powers, privileges, and immunities of a board of inquiry under the *Public Inquiries Act*;

(d) may determine the persons to whom notice of the proceedings shall be given; and

(e) may determine its own procedures."

That, of course, is a reference from the statute from which the Yukon Utilities Board gets its authority, the *Public Utilities Act*.

It also notes in section 66 of the *Public Utilities Act* — and I quote: "Enforcement in the Supreme Court

"An order of the board becomes an order of the Supreme Court immediately on filing with the clerk of the court of a certified copy of the order, and the order may then be enforced in like manner as any order of the Supreme Court."

So, with regard to that, Mr. Speaker, as you'll be aware, the Annotated Standing Orders in explaining the application of

Standing Order 19(f) says — and I quote: “This convention was adopted to ensure that legislators did not exercise undue influence on legal proceedings.”

It is our concern that calling this motion for debate in the Assembly when, in fact, it is part of an active process in front of this quasi-judicial board scheduled for public hearings on January 8 may either interfere or have the appearance of interference by the Legislative Assembly with that quasi-judicial process.

Just in concluding my remarks, for your reference, Mr. Speaker, I will just cite briefly from the rate application made by Yukon Energy in November. The 2021 general rate application makes specific reference to the 10-year renewable energy project. On pages — including the example I have, supporting documents, tab 5, Capital Projects, page 526 makes specific reference to the 10-year renewable energy plan. There are also, throughout the rate application — although I will not take up your time with reading other references — a number of references regarding specific projects that are laid out in the 10-year energy plan.

Finally, Mr. Speaker, I will briefly reference the order issued by the Yukon Utilities Board yesterday, noting:

“NOW THEREFORE, the Board orders that: 1. YEC will hold a public workshop on the Application on Friday, January 8, 2021, at 1:00 p.m. at a location in Whitehorse, Yukon, in a format to be determined by YEC; 2. Persons intending to intervene in the proceeding must register in writing with the Board’s Executive Secretary by no later than Wednesday, December 30, 2020, indicating the nature of their interest and the issues that they will address or that are of interest to them in relation to the Application.”

It also notes above in that order, which is Board Order 2020-04: “WHEREAS: A. On November 20, 2020, Yukon Energy Corporation (YEC) filed an application with the Yukon Utilities Board (Board), pursuant to the *Public Utilities Act*, and Order-in-Council 1995/90 requesting an order approving a forecast revenue requirement for 2021.”

It also notes that — quote: “... YEC is seeking approval of an interim refundable rate rider...” and further, “YEC is seeking approval of forecast revenue requirements of: \$75.135 million, representing an increase of \$10.971 million for 2021 over revenues from existing rates and riders...”, and it goes on to note that this constitutes a 17.1-percent increase, with a total increase of \$25.34 million for 2021 over the 2018 approved revenue requirement.

I hope that reference will explain why we believe that this may not be in order to call Motion No. 387, since that motion standing in the name of the Member for Copperbelt North is specifically with regard to the Yukon Energy Corporation’s 10-year renewable electricity plan, and it is our view that discussing a matter that is currently in an active public hearing process in front of a quasi-judicial board may either directly interfere with the authority of that board or have the appearance of doing so.

Hon. Ms. McPhee: Mr. Speaker, I think it’s important to go back to the Standing Order. I think it was Standing Order

19(f) that was quoted. It, of course, makes reference to a matter that is pending in a court or before a judge. Presumably, in the event that the Standing Orders were to broaden that requirement, or that exception, they would have done so. This matter is not before a court and not before a judge. It might be before an administrative tribunal that will make a decision.

I can also indicate that this is the House in which the purpose of debate on the 10-year energy plan is the place in which it is debated. We have heard nothing from the opposition, and rightly so, but the fact that they want to debate these important issues — here is an opportunity to do that — and for some reason an objection is being made.

We’re not suggesting during this debate that any of the evidence or comments with respect to what may come before the Yukon Utilities Board by way of a rate application — which is frankly, in my submission, unrelated to the motion that has been brought to the floor here. Despite the objection, it is properly brought here as a motion for debate among the Members of the Legislative Assembly. It does not qualify as a point of order or in the category of Standing Order 19(f) that should be excluded from debate. As a result, I say to you that there is no point of order despite the gymnastics of trying to get it into the Yukon Utilities Board’s realm.

This is the place for such a debate. It should be brought tomorrow. I ask for your ruling with respect to that. My colleague might also have a comment.

Hon. Mr. Pillai: Mr. Speaker, quite simply, it is a tremendous amount of work to build the case to not debate clean energy. I think everyone sees that. Secondly, we’re not talking about support for the plan. It’s going through a rate process. Even if you went down the road of that argument, the rate process is about who is paying for this. That is not the conversation right now. We are asking: Do you even support it?

We know that, in the past — from the actions of the previous government — \$4 million spent on next generation hydro hadn’t gone to rate yet, and \$6- or \$7 million spent on Southern Lakes didn’t go to rate yet — usually pretty good about taking on some pretty significant actions before things go to rate. The relevancy to this is simply this: We are not asking about how it’s going to get paid; we just want to know: Do you even support the work that has been done? Do you even support all of the work that has been done and what we have heard from Yukoners? At the end of the day, if they don’t even want to debate this, that will be telling enough.

Speaker’s statement

Speaker: Sorry, I have none of the information, obviously, before me that was referred to by the Member for Lake Laberge, so the Chair is immediately obviously completely hamstrung in making any determination on really any of the materials that the Member for Lake Laberge has put forward.

I find it somewhat compelling that Standing Order 19(f) does refer to “... any matter that is pending in a court or before a judge for judicial determination where any person may be

prejudiced in such a matter by the reference". In plain language, it is no more expansive than that. However, if it is still the government's intention for private members to debate Motion No. 387 tomorrow, I will require a brief amount of time to confer with the Clerks-at-the-Table in order to provide the House with my ruling on this matter, which should probably be done right now. I could come back at 3:15 p.m., assuming that the motion for witnesses is passed.

Hon. Mr. Silver: With your conundrum in mind, I would ask for unanimous consent from the Members of the Legislative Assembly to give you the time necessary now if you want a motion put forth.

Speaker: So, the two options I'm providing to the House are: a recess now of approximately 15 minutes, or that the Chair will return at 3:15.

I'll put it to the House, then.

Is it agreed that the Chair will return at 3:15 to provide the reasons with respect to the point of order raised by the Member for Lake Laberge as to whether this motion ought to be debated tomorrow?

Some Hon. Members: Agreed.

Speaker: Thank you. I will return with reasons at 3:15.

Hon. Ms. McPhee: 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

Deputy Chair (Mr. Adel): Committee of the Whole will now come to order.

Motion re appearance of witnesses

Committee of the Whole Motion No. 7

Hon. Ms. McPhee: I move:

THAT from 3:30 p.m. to 5:30 p.m. on Tuesday, December 15, 2020, Justin Ferbey, president and chief executive officer of the Yukon Development Corporation, and Andrew Hall, president and chief executive officer of the Yukon Energy Corporation, appear as witnesses before Committee of the Whole to answer questions relating to the Yukon Development Corporation and the Yukon Energy Corporation.

Deputy Chair: It has been moved by Ms. McPhee:

THAT from 3:30 p.m. to 5:30 p.m. on Tuesday, December 15, 2020, Justin Ferbey, president and chief executive officer of the Yukon Development Corporation, and Andrew Hall, president and chief executive officer of the Yukon Energy Corporation, appear as witnesses before Committee of the Whole to answer questions relating to the

Yukon Development Corporation and the Yukon Energy Corporation.

Committee of the Whole Motion No. 7 agreed to

Deputy Chair: The matter now before the Committee is general debate on Vote 3, Department of Education, in Bill No. 205, entitled *Second Appropriation Act 2020-21*.

Do members wish to take a brief recess?

All Hon. Members: Agreed.

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

Recess

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

Bill No. 205: *Second Appropriation Act 2020-21* — continued

Deputy Chair: The matter now before the Committee is general debate on Vote 3, Department of Education, in Bill No. 205, entitled *Second Appropriation Act 2020-21*.

Is there any general debate?

Department of Education

Hon. Ms. McPhee: I would like to welcome to the Legislative Assembly today Deputy Minister Nicole Morgan, from the Department of Education, and Jackie McBride-Dickson, who is the director of finance for the Department of Education. I look forward to questions regarding the supplementary budget for the Department of Education. Prior to entertaining those questions, I have a few remarks that I would like to make at the beginning of this Committee.

I'm very pleased to rise in the House to present the Department of Education's first supplementary budget for 2020-21. This continues to be an unusual and very challenging year for everyone. We are living through a moment in history when, every day, there is uncertainty, anxiousness, but also courage and opportunity and when, every day, we are learning and adjusting to new routines. It is with patience, kindness, and mutual support that Yukon communities are working to keep us all safe and resilient.

Thanks to these conscious efforts, we have been able to adapt and resume classes in schools for students following the advice and the guidelines of Yukon's chief medical officer of health. The supplementary budget reflects how the department is adapting and responding this year to address the priorities for education during the pandemic, which include: ensuring the health and safety of students and staff; ensuring that learning continues for all students; supporting students with diverse learning needs and those in need of additional supports; and supporting students, teachers, and support staff for flexible learning, including access to technological tools and training.

The department has worked to reallocate existing funding and resources to meet these priorities to support learners of all ages here in the territory. One example is redirecting funds last spring to provide a \$250-per-student payment to Yukon

families to support them while students were learning from home. The department has worked to allocate the recent safe return to class funding from the Government of Canada to support the safe return of students and staff into Yukon schools.

In this supplementary budget request, the Department of Education is requesting a decrease of \$644,000 in O&M expenditures and a net increase of \$10,000 in capital expenditures. I look forward to being able to explain those.

I will now go over the changes to capital and the O&M funding in more detail and explain how the department is using its budget to support current priorities in Education.

Mr. Deputy Chair, a total increase of \$10,000 is requested for capital school-based equipment. This increase is to purchase a 3D printer with funds won by F.H. Collins Secondary and is 100-percent recoverable through their Best Buy award.

With respect to O&M in general, a total decrease of \$644,000 is requested for operation and maintenance. This reflects a number of changes to adapt and respond to COVID-19 to improve accounting practices and to implement measures supported by the federal safe return to class funding.

This year, the department has added a new budget line for its COVID-19 response in order to effectively and efficiently support the implementation of measures to support the health and safety of Yukon learners during the ongoing pandemic and to keep track of those funds in a way that is accountable.

This new budget line includes the department's requested interval transfers of \$1.28 million to support the one-time \$250 financial support per student to Yukon families while students were learning from home, as I said, in the spring of 2020 and the department's requested increase of \$4.16 million for the safe return to class funding, which is 100-percent recoverable from Canada.

This federal funding is being allocated on an ongoing basis, based on the priorities for education during the pandemic. This year, health and safety has been the first consideration for adapting learning programming and spaces to mitigate risk and prevent transmission. We have had to make some programming adjustments as well to follow health and safety guidelines for schools and safely return students and staff to classes.

COVID-19 health and safety costs for schools will be supported by the safe return to class federal funding, as well as some internal funding from the Department of Education. Since August 15, the department has spent and has committed \$783,117 on health and safety costs related to COVID-19. Those expenses were for things like: sanitation costs for schools and buses; cleaning supplies; personal protective equipment, such as reusable masks, gloves, hand sanitizer, et cetera; replacing water fountains with water filling stations; enhanced custodial services in schools; and health and safety training for school staff and for teachers on call.

Ensuring that learning continues for all students is the goal for Education. We are pleased that the majority of schools have been able to return all students to full-time, face-to-face classes and that all schools are following the chief medical officer of health's guidelines for K to 12 school settings and providing their students with daily time with their teachers at school. The costs associated with COVID-19 to ensure that learning

continues for all students will be supported, as I have said, by the safe return to class federal funding and the Department of Education.

Since August 15, the department has spent and committed \$2.013 million on adaptations to ensure that learning continues. That was spent on things like: preparations and support for principals, teachers, and EAs; adapting field trips; materials and equipment to adapt learning spaces, such as additional desks, whiteboards, technology, et cetera; and costs associated with the relocation of the F.H. Collins grade 8 and Wood Street programs.

It is also a priority for Education to provide supports for students with diverse learning needs and those in need of additional supports. This work includes ensuring that special education programming and supports are adapted to follow the health and safety guidelines for schools — for example, ensuring that this program is available full time and in school for these students and that staff working in close proximity to students have the appropriate PPE. It also includes ensuring that school meal programs continue to be safely delivered and that schools offer a range of supports for students. It includes work that school administrators are doing with staff to gather information on impacts to student learning and well-being, which will inform additional measures to support students.

Funding initiatives were previously allocated from within the department's existing funding to provide additional learning supports for students. For example, while in-person instruction was suspended last spring, the department redirected its existing funding that became available during the suspension of the in-person instruction from its K to 12 general programs to provide the one-time \$250 payment per student financial support to Yukon families while students were learning from home. This expenditure is reflected in the transfer request of \$1.28 million from the K to 12 general programs to the Sport Yukon transfer payment agreement for this initiative.

I would like to highlight the department's contribution of \$478,000 toward the partnership initiative with Yukon First Nations and Yukon University to provide access to technology and mobile devices for Yukon First Nation students in kindergarten to grade 12. It was announced recently. This initiative reflects our ongoing collaboration with Yukon First Nations to improve First Nation student outcomes, as identified in the joint education action plan and the recommendations from the 2019 Auditor General of Canada's report on K to 12 education in the Yukon. It also ensures that students have the supports that they need for flexible learning and access to technology.

Further costs associated with COVID-19 to support additional supports to students with diverse learning needs and those in need of additional supports will be supported by the safe return to class federal funding. Since August 15, the department has spent or committed \$699,336 in other costs to support students this year including online professional learning for educators on trauma-informed approaches to support students as they returned to school during the pandemic — from supporting them to learn about new health and safety routines to connecting with youth who may be struggling and

tutoring supports and study halls for grades 10 to 12 students in Whitehorse.

In addition to our surveys to check in on student learning during COVID across the pandemic, Yukon schools just recently surveyed students in grades 4 to 12 about their well-being so that school staff can hear directly from their students and plan appropriate supports and strategies. This survey includes questions about mental health, healthy behaviours, well-being, emotions, relationships, sense of belonging and safety, and returning to school during the pandemic.

Another priority for Education is providing supports for students, teachers, and support staff for flexible learning, including access to technology, tools, and training. There are additional costs and expenditures for bandwidth and other digital learning supports to provide flexible learning environments and access to technology this year. Since August 15, the department has spent \$218,922 to support flexible learning environments and identified further supports, such as: staffing support for a technology infrastructure specialist; term positions for the next two years to support and enhance blended learning approaches in schools, with \$88,259 spent; professional services to support cybersecurity enhancements for mobile devices for learning, with \$100,000 allocated; and materials and equipment to support flexible learning activities, such as the installation of whiteboards, et cetera, with \$30,663 coming from the federal funding.

This supplementary budget also includes some O&M requests for ongoing initiatives and programs to support Yukon learners in the public education system from student attendance to labour market agreements. An increase of \$95,000 is requested for the Every Student, Every Day attendance initiative. This funding supports community-based projects to improve student attendance and engagement at school. It is 100-percent recoverable from the Victoria Gold Yukon Student Encouragement Society.

An internal transfer of \$219,000 is to address a significant shortfall in personnel for human resources to support service levels. This unit provides services to support the approximately 1,400 employees of the Department of Education, including central administration and school staff with the second-highest number of staffing transactions. An internal transfer of \$85,000 is to support a project officer position in facilities and transportation — a total decrease of \$5.41 million for the French programs, which reflects a change in accounting practices to remove a net zero transfer to and recovery from the Yukon francophone school board for teacher salaries.

Previously, Mr. Deputy Chair, the practice was that the department would transfer the funding for the CSFY teacher salaries to CSFY. The department would pay the teachers' salaries and then bill CSFY for those salaries. CSFY would then transfer this funding back to the department. Going forward, the department will pay the teachers' salaries directly without the transfers and the duplication of funding. This change in practice does not impact the amount of funding for CSFY or the amount of funding or amounts of teachers' salaries.

There is a net increase of \$360,000 for an additional 5.23 FTEs for the Yukon francophone school board for additional school staff to support an increase in student enrolment, and an increase of \$400,000 is requested for student financial assistance for the Canadian student loan program, which is 100-percent recoverable from the Government of Canada.

An increase of \$112,000 is requested for labour market development agreements, which is 100-percent recoverable from the Government of Canada.

This supplementary budget demonstrates the department's ongoing focus on keeping the well-being and success of Yukon learners of all ages at the centre of decisions about programs and resources, from managing the pandemic response and recovery in education to continuing its core business and services to Yukoners and Yukon communities.

Mr. Deputy Chair, I would like to close by acknowledging and thanking Yukon school communities in the territory for their dedication and their conscious efforts to support all Yukon students and families during this truly unparalleled time in our society: educators and the Yukon Teachers' Association; families, school councils and associations; the CSFY and school communities; Yukon First Nations and their education directorates; the chief medical officer of health and his staff; staff and colleagues from across Yukon government; Standard Bus; and, of course, our students. We are weathering this storm together. We will continue to take your advice to ensure that the department's resources are directed to effectively support Yukon learners with safe, high-quality programs and services.

Mr. Kent: I thank the minister for her opening remarks. I thank the officials for attending here today to provide support to the minister in the brief time that we have here this afternoon.

The briefing on the supplementary estimates for Education took place in early October. The department officials provided us with a breakdown of the federal funding priorities — the total cost to September 30, 2020. I found it very helpful and I appreciate it. I'm just hoping that the minister can commit to an updated sheet for me and the Third Party so that we have updated information when Education comes back before the House in the remaining days. Hopefully, it comes back.

I will start with a question as well with respect to one of the things that has been on the minds of a lot of Yukon families, and that's the grades 10 to 12 schedule here in Whitehorse. Students are in class half time and then supported through online or study hall learning the other half of the day. I know that the minister made an announcement earlier this fall with respect to that arrangement continuing on through to the end of the school year.

I have a couple of questions. There are obviously three school communities that are very much affected by that: Porter Creek, Vanier, and F.H. Collins. I'm just curious if there was consultation with those school councils prior to that decision being made.

With the recent good news announcement about the Moderna vaccine potentially coming to the Yukon in sufficient numbers — of course, pending Health Canada approval — I'm curious whether or not there would be any consideration given to returning those students to full-time in-class learning,

pending some change in guidelines from the chief medical officer of health due to the vaccination program that we're expecting in the first quarter of 2021.

Hon. Ms. McPhee: I thank the member opposite for the question. The first consideration, of course, with respect to having grades 10 to 12 return to full-time class has been the health and safety of students and the staff — ensuring that all schools remain low-risk learning environments. As the member opposite will have heard me say before, the assessment and work being done with respect to determining what space would be needed to return grades 10 to 12 to school full time, as well as the number of teaching professionals who would be required for that, is simply not something that can be achieved at the moment. The work in making that determination was done through consultation with the chief medical officer of health — with spacing and health and safety guidelines — with a team of individuals, including the principals and administration from the three high schools that are affected by this decision — by reviewing their operational plans and what services they could provide. Also, the administration of those schools worked with their school councils — and teachers and spaces, as I have said, were simply not available.

As I said a month or so ago, it's not a matter of "We just can't find space for that to happen". I think that the estimate was that we would need somewhere between 40 and 60 professional teachers to provide that. One of the major deciding factors as well was the fact that, should, let's call them, "satellite schools" be set up for the other half-day for grades 10 to 12, it would also mean that, even with those 40 to 60 additional professionals, they would be basic courses only. They would not be able to access elective courses, and that is an extremely important aspect of their high school experiences.

I can indicate that, with respect to school councils, we have consulted with school councils in relation to the survey that went out recently — in November — and was completed by November 30. It's now being reviewed for the purposes of gathering information from families, students, and education partners to determine what additional supports could be put in place, particularly for grades 10 to 12, and what we can do with respect to providing those kinds of additional supports.

I will move to the second part of the question regarding news about vaccines and the territory's benefit from those. We have a pandemic framework that has been built at the Department of Education for the purposes of managing and determining how decisions can be made and the effect and the reaction when things change. With the positive news — we hope that it is positive news — coming with respect to vaccines, we hope that we will make access to schools — having all students return to full-time.

But I cannot speculate about that at this time. The framework is our guiding document, as well as the information and recommendations of the chief medical officer of health. When we see how vaccines are distributed and their effect, we hope that it will be a positive turn for the future of all students being back in school for full days.

Mr. Kent: I know that there were a number of parts to that question, so I'm hoping that the minister can just let us

know if she will provide us with an updated Department of Education federal funding priorities document with more recent costs. As I said, the one that we have is costed to September 30, 2020, and has approximately \$733,000 allocated to that point. I'm sure that those numbers have increased since that time. I think the overall allotment for us was \$4.1 million.

Back to the consultation piece, when the announcement was made over the summer and leading up to the start of the school year with respect to grades 10, 11, and 12 here in Whitehorse, it was open-ended, and then in November, there was a decision made to extend that until the end of the school year. That is where I am wondering if there was consultation with school councils prior to that decision being made.

With respect to the pandemic framework that the minister referenced, I am wondering if that is a public document that we can find on the website. If not, is she willing to provide that to members of the opposition?

Hon. Ms. McPhee: Yes, we can provide an updated list of the costs of the spending — either what has been spent or is projected to be spent from the federal funding.

I think that the one the member opposite referenced was from September. We can provide a more updated version of that. I won't say what the date is because I don't know what the end date will be, but it will be more recent than September — into November, I think.

With respect to the pandemic framework, it is an internal document. I don't have any trouble providing that to the Members of the Legislative Assembly.

With respect to the decisions and school councils, I think that it might be a language issue, but I can indicate that we seek advice from our education partners, of which school councils are an incredibly critical one at every turn.

Did we sit down with the plan and say, "What is your input here?" No. The administrators and their operational plans were a key component in making the decision going forward to extend — at least at this time — the grades 10 to 12 half-day education — half-day attendance in class, not education, half-day attendance in class.

We really believed — and all of the advice from school administrators and central administration officials at the time as well as other education partners — First Nation governments and some school councils — and their working with us in this way was that parents and families needed certainty. They needed certainty with respect to how to plan, how to adjust, how to help their students adjust, and — more importantly, perhaps — if this was the plan going forward, how could we augment services for students who were not doing that well or who were finding it challenging in that timetable? It was important for that to happen as soon as possible so that the decision wasn't being dragged out and then result in more uncertainty for families.

We have completed two surveys with our partners seeking advice, including school councils. In addition to the surveys seeking advice from school councils, we actually sought advice from the school councils on what the survey should be asking

and what kind of work it should be targeting. We got great feedback from that as well.

We also set up a bi-weekly meeting with department officials — almost always including the deputy minister, sometimes including me with chairs of school councils — so that during the summer months and early fall with respect to responding to COVID, that seemed like a good idea. We have continued those. Of course, we're still dealing with managing through COVID, but the indications we've had from those school council chairs and from other partners — AYS, CDC, the Catholic school councils, and others — was that this work together was extremely important, and as a result, we will continue those meetings as well. We've met with individual school councils. Again, I'm not sure if it's a language issue about consulting, but we certainly give as much information as we can at every one of those meetings and give as much detail as we can about the kinds of advice that we are getting from administrators and the chief medical officer of health — again, with the entire goal being to have as many students as possible return to class safely and to protect their health and safety.

Mr. Kent: I know that we just have a few minutes left — 10 minutes left or so — but one of the other topics that I wanted to touch on is with respect to student transportation and the busing. I know that three more buses were ordered, have arrived, and have been inspected. My understanding is that we are ready to go, but we are waiting on the routing and scheduling information from the Department of Education. Obviously, with just a few days left until the Christmas holidays, we are not expecting those buses to be on the road before Christmas, but does the minister have any idea of the timing in January? Will they be ready to hit the road after the Christmas break is over, or is it later on in January that we are expecting those buses to be activated?

Hon. Ms. McPhee: Thanks for the question. Certainly, it is a question that I ask every day, and I am sure that many families do as well — and our officials have been asking every day. There are a number of moving parts — as I have said before — with respect to this matter. We will be making an announcement this week about some routes and minor changes and additional buses. We had hoped that it would happen so that kids could be on those buses this week, but — as the member opposite notes — there are a few days left. Due to driver availability, we are confirming that those buses will be ready to go at the beginning of the school year in the new year.

Mr. Kent: I don't have the exact quote with me from the Blues, but during one of the responses during Question Period, I think that the minister mentioned that additional registrations were being received in September, October, and even into November. I am curious — I guess I am looking for a commitment and not the numbers, unless she has them right now — as to what the breakdown of the registration numbers would be. How many were registered at the start of the year and then what did they get in the balance of August, September, October, and November for new registrations for the buses?

Hon. Ms. McPhee: I don't actually have those numbers. I have some from memory and I will tell you what those are, but we will clarify those if we can.

The original registration for buses was advertised to close on June 19, 2020, but we knew on June 19 that we did not have the full registration because we regularly know roughly how many students will register. There are now — as the member opposite has heard me say before — 1,907 eligible students on and assigned to school buses.

Back in June, when we didn't have enough registrations by history, we extended that registration date to the middle of August — to August 19. In the beginning of August, my recollection — and please don't quote me on this — is that we received some 600 registrations in that early part of August. They were additional to the ones that we had seen up until June. Ultimately, we made the decision to not close bus registration because we were keen to make sure that we were assisting families.

We knew that it was an extremely unusual year. There were many questions about whether families and parents wanted to send their kids to school or whether school was going to open at all. It's hard to remember how uncertain that time was because things with this current state of affairs change every day.

Back in the summer, it was unknown to us how many kids would come to school and whether or not — at that time, the decisions were still being made about how classes could safely open in consultation with the chief medical officer of health's assistance and recommendation.

I understand the question to be: Can we tell you when the kids registered or the families registered for school buses and what those numbers were sort of roughly throughout that time period? I don't have those numbers. Certainly, there is somebody who can put those numbers together and I will ask if that's a possibility.

Mr. Kent: I appreciate that. I look forward to receiving that information because I think, when we were talking in Question Period, that was one of the moving targets that affected the ability of the department officials to work on the new routing and scheduling while the buses were on order and then finally being approved. I think that was one of the things that the minister talked about at the time.

With respect to the Sport Yukon funding and the funding for families that took place in the spring, the number in the budget is \$1.28 million. Can the minister tell us what the uptake was on that program? What percentage of families or students applied for the funding? What was the administration fee for that program paid to Sport Yukon out of that \$1.28 million?

Hon. Ms. McPhee: The initiative supported 4,595 students from K to 12. The initiative was made available to all students or families — per student — to all students who applied — or their families or parents applied for them — and the only application requirement that they indicate that they attend full time, whether they attend school, and what school they attended so that records could be kept — for 4,595 students. The funding was administered by Sport Yukon for a total fee of \$130,875, which was approximately 11.39 percent of an administrative fee.

Mr. Kent: Thank you, Mr. Deputy Chair, and I thank the officials for coming in here today. We are receiving witnesses,

of course, and as well, the Speaker is coming back for a ruling, so with that, I move that you report progress.

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

Motion agreed to

Hon. Ms. McPhee: I move that the Speaker do now resume the Chair.

Deputy Chair: It has been moved by Ms. McPhee 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 Deputy Chair of Committee of the Whole?

Chair's report

Mr. Adel: Mr. Speaker, Committee of the Whole has considered Bill No. 205, entitled *Second Appropriation Act 2020-21*, and directed me to report progress.

Also, Committee of the Whole adopted Committee of the Whole Motion No. 7, which provides for witnesses to appear before Committee of the Whole at 3:30 p.m. to answer questions related to the Yukon Development Corporation and the Yukon Energy Corporation.

Speaker: You have heard the report from the Deputy Chair of Committee of the Whole.

Are you agreed?

Some Hon. Members: Agreed.

Speaker: I declare the report carried.

Speaker's statement

Speaker: The Member for Lake Laberge has asked me to consider a point of order pursuant to Standing Order 19(f) as to whether a certain motion is orderly and can be properly debated tomorrow.

I can advise the House that I and the Clerks-at-the-Table require a little more time. My proposal is that I will return at 5:30 p.m. My reasons will be relatively brief — I imagine five minutes or less.

Are you in agreement with that?

Some Hon. Members: Agreed.

Speaker: Thank you. The Chair will return at 5:30 p.m. with reasons on that issue.

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

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

Motion agreed to

Speaker leaves the Chair

COMMITTEE OF THE WHOLE

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

Pursuant to Committee of the Whole Motion No. 7 adopted earlier today, Committee of the Whole will receive witnesses from Yukon Development Corporation and Yukon Energy Corporation at 3:30 p.m.

In order to allow all witnesses to take their place in the Chamber, the Committee will now recess and reconvene at 3:30 p.m.

Recess

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

Appearance of witnesses

Deputy Chair: Pursuant to Committee of Whole Motion No. 7 adopted on this day, Committee of the Whole will now receive witnesses from the Yukon Development Corporation and Yukon Energy Corporation.

I would ask all members to remember to refer their remarks through the Chair when addressing the witnesses.

I would also ask the witnesses to refer their answers through the Chair when they are responding to the members of the Committee.

Witnesses introduced

Hon. Mr. Pillai: It gives me great pleasure to welcome the witnesses today from the Yukon Development Corporation as well as the Yukon Energy Corporation. The witnesses appearing before Committee of the Whole today are Mr. Justin Ferbey, president and chief executive officer of the Yukon Development Corporation, and Mr. Andrew Hall, president and CEO of Yukon Energy Corporation.

Mr. Mike Pemberton sends his regrets. He is not with us today — the chair of the Yukon Development Corporation Board of Directors — but in attendance today is our chair, Lesley Cabott of the Yukon Energy Corporation Board of Directors.

Because of our COVID restrictions, it's a bit of a different situation today. Only two witnesses are here, but Ms. Cabott is also here supporting her colleagues.

I would like to take a brief moment to thank the members on both boards whose terms have ended. I would like to thank Mr. Peter Kirby, Ms. Skyler Hougen, and Mr. Darren Kates for their commitment as corporation directors to the Yukon Development Corporation. Thanks also to Gina Nagano and Gary Jones for their contributions as directors to the Yukon Energy Corporation.

Again, I would like to thank the officials for both corporations for being here today. These folks have done a tremendous amount of work over the last year and look forward to seeing questions from the opposition on the tremendous amount of work that they've done, both in the communities and here with Yukon Energy Corporation.

Deputy Chair: If the witnesses would like to make opening remarks, I will remind them that they have five minutes between them.

Mr. Ferbey: Thank you, Mr. Deputy Chair, for the opportunity to provide information for the Members of the Legislative Assembly with respect to the Yukon Development Corporation.

Developing new sustainable sources of electrical energy is becoming increasingly important as an enabler for reducing our carbon emissions associated with heating our buildings and in the transportation sector. Yukon Development Corporation and Yukon Energy Corporation are working together to ensure that we have the electrical generation, distribution, and storage systems in place to meet the needs of Yukon's growing population and economy now and into the future.

Meeting our territory's growing energy needs will require a broad, collaborative approach. Yukon Development Corporation is actively working with all levels of government, as well as utilities, to identify and support new energy projects that best meet Yukon's increased demands for power. For example, through the independent power production policy, the innovative renewable energy initiative, and the Arctic energy fund, we are encouraging development of First Nation and community-led renewable energy projects to offset the use of fossil fuels in generating electricity across the territory.

As well as supporting investments in renewable energy, we must also continue our focus on ensuring that we have the energy and that we use the energy wisely. The least expensive megawatt of capacity is one that we have saved through managing our demand-side management for electricity.

We have committed to providing direction to the Yukon Utilities Board that would support delivery of cost-effective demand-side management programs through our utilities. This will give them access to the tools that they need to encourage households and businesses to reduce their demand of electricity.

Thank you for the opportunity to speak on Yukon Development Corporation's behalf. I would like to turn over the mic to the president and CEO of Yukon Energy Corporation.

Mr. Hall: Thank you for the opportunity to be here today to provide information for the Members of the Legislative Assembly with respect to Yukon Energy Corporation.

In July 2019, Yukon Energy released our five-year strategic plan and our bold vision to be a Canadian leader in sustainable energy by 2030. I'm proud to report that, since the release of that strategic plan, Yukon Energy has made great progress toward achieving that goal.

This past January, we released a draft of our 10-year renewable electricity plan. The plan identifies three new renewable electricity and infrastructure projects needed to address growing demands for clean electricity in Yukon and help us reduce carbon emissions in the territory.

The three new projects — sourcing renewable electricity from the planned Atlin hydro expansion project; building a new pump storage facility at Moon Lake; and expanding and

upgrading the Southern Lakes transmission network — account for 46 percent of Yukon government's carbon emission reduction targets by 2030.

I am pleased to report that yesterday, after more than six months of sharing information and collecting feedback about the plan from Yukon First Nation governments, electricity stakeholders, and the public, we released our final *10-Year Renewable Electricity Plan* document, the technical report, and associated with that, the "what we heard" report from the public and stakeholder engagement. Those documents can be found on our website.

Moving forward, collaborative partnerships with First Nation governments and development corporations will form the basis of each of these projects. Federal funding for these investments will also be critical to keeping Yukon electricity rates affordable. Given Yukon's small population and small rate base, a portfolio investment of over \$500 million into our electricity system is too much for Yukoners to bear on their own. Over the next several years, we will continue to work with Yukon Development Corporation, the Yukon government, and the project proponents to obtain the federal funding needed to advance these projects, minimize costs for Yukoners, and minimize project risks.

Renewable sources of electricity will be critical in setting us all on the path toward a stronger, more sustainable future. Yukon Energy is committed to working with First Nations, all governments, and the public to ensure that projects in the *10-Year Renewable Electricity Plan* are developed with the best interests of Yukoners in mind.

Mr. Kent: I would like to welcome the witnesses, Mr. Hall and Mr. Ferbey, as well as Ms. Cabott, here today as well.

I have a number of questions. The first one that I wanted to start with is with respect to the current general rate application. So, in the documents, in the news release and the announcement by the minister in the Legislature, and with his ministerial statement, it says that we are asking for an 11.5-percent rate increase in 2020-21. I am looking for an explanation of the discrepancy here. The board order from the Yukon Utilities Board yesterday says — Board Order 2020-04, dated December 14, 2020 — says: "WHEREAS: B. YEC is seeking approval of forecast revenue requirements of: \$75.135 million, representing an increase of \$10.971 million for 2021 over revenues from existing rates and riders of \$64.164 million (a 17.1% increase), with a total increase of \$25.342 million for 2021 over the 2018 approved revenue requirement..."

The way I read it, there is a discrepancy. There is a 17.1-percent increase identified by the Yukon Utilities Board, but an about 11.5-percent increase identified by the Yukon Energy Corporation.

Could I get the witnesses to explain to the Legislature the discrepancy between those two numbers?

Mr. Hall: I am going to have to come back to the Legislature via a submission on this question. I don't have the information readily available.

Mr. Kent: For the witnesses' reference, the document that I was reading from was: "IN THE MATTER OF the *Public Utilities Act* and General Rate Application by Yukon Energy Corporation for Approval of Revenue Requirements for 2021". It was dated December 14, 2020, and this is Board Order 2020-04. That is a reference for the witnesses.

I am going to move on and ask some questions with respect to the decision to cancel the new thermal plant and instead focus on renting diesels to provide power — or to provide a portion of the power that we need in the territory — for the foreseeable future. The corporation did a fair amount of public consultation on this issue — in particular, I would like to direct the witnesses to a document produced by YEC entitled "what we heard" from October 2019. I am going to quote directly from that document on page 6 where it says — and I quote: "Given the limited amount of days the facility was also expected to run (about 10 days a year with average water conditions), greenhouse gas emissions from the facility were also expected to be minimal."

How many days did the rented diesels run in 2020?

Mr. Hall: I don't have any data on how many days they ran. We provided information on the total fuel consumption, for example, on the rentals for the winter of 2019-20 — two million litres of diesel.

My general comment in response would be that, when we looked to that permanent diesel facility, we would have looked at it over the long term — so particularly its average conditions, because that's all we can really point to when we looked at our long-term forecasts. I will point out that this past winter was extraordinary in the sense that we had low water conditions, principally in our Mayo hydro facility. The Mayo reservoir — as members may recall — hardly filled up last summer, which meant that, when we got to this past spring, for example, we were very low in water and had to run diesel to compensate — LNG and diesel.

I would comment that this past winter was almost a drought condition for us. It's not really an average year at all, and that would explain why we ran more diesel than perhaps had been indicated in the prior communications.

Mr. Kent: The witness mentioned that he does have data on the amount of diesel used. I apologize if he provided that, but if he could just provide that again just for my reference here this afternoon. How much diesel was consumed in 2020 from the rented diesels?

Mr. Hall: Mr. Deputy Chair, the number I have here is 2.1 million litres. I will check on that, but that's the number I have right now.

Mr. Kent: Later on in that same report in appendix A, there are a number of questions from public participants and answers from Yukon Energy Corporation. I would like to ask about some of the answers provided.

On page 26 — but also in several other places — the Energy Corporation says that they conducted a detailed analysis of the three fuel choices: diesel, LNG, or a blend of the two. Can the witnesses — if they don't have them with them today, can they commit to providing us with a copy of that detailed analysis? In the meantime, can they provide an answer from

purely a cost perspective: Which of the three fuels was the preferred choice?

Mr. Hall: I would just like to clarify perhaps a bit of a misunderstanding about what the purpose or primary driver of these investments in thermal assets is — and it's to provide capacity.

With the growth in the Yukon economy and population, our peak demand for electricity, in particular, continues to grow. We see that on cold winter days when the temperature gets down to minus 30 or minus 35. Those peaks continue to grow. The principal driver of that capital investment decision at that time was to provide capacity to cover off a worst-case event where we lose our largest generator, namely the Aishihik facility. The decision before us last year was around an investment in an asset that's there largely to cover off your worst-case contingent event.

It's a capacity investment, so the cost of that capacity is your primary economic metric. When we compared the cost of a new LNG plant to a new diesel plant, on a pure capacity basis — and I'll use a metric that folks can relate to, so dollars per megawatt — the cost of the diesel option came out as the most cost-effective.

Mr. Kent: Just to go back to the question then, as I mentioned, there was a reference that the Energy Corporation conducted a detailed analysis of the three fuel choices. I'm hoping that the witness can commit to providing us with a copy of that detailed analysis or direct us to the website if it is on the public website.

I think that he mentioned that, from a purely cost perspective, diesel was the preferred choice as a result of that analysis. I'll ask the witness to confirm that just so there is no confusion.

In appendix A, on page 28, there is a question that reads: "What is the cost of rentals?" The answer from the corporation was — and I'll quote: "Showed the participant the summary panel that outlined that rentals are more expensive than owning the LNG or diesel generators." I have just a couple of questions from that.

Can we have a copy of the document that compared the cost of renting to owning? Can the corporation confirm that renting the diesels is indeed more expensive than owning a new thermal plant?

Mr. Hall: Yes, I will commit to getting the cost information for the member opposite.

In terms of the cost of renting versus owning, if you take it over the full life cycle of the asset — the metric that we used was levelized cost of capacity, and that is akin to that dollar-per-megawatt number that I talked about in my previous response. The levelized cost of capacity of a greenfield thermal plant is \$157 per kilowatt year, and the range for diesel is around \$240 per kilowatt year.

But I will point out an important consideration here. If you look at these decisions in the context of the 10-year renewable plan and the projects that are talked about under that plan, then your lifespan becomes a lot shorter. If you assume, for example, that the Atlin hydro project is going to get connected to the grid in 2024, followed by Moon Lake toward the end of the decade,

then your whole driver for needing that capacity — the timescale — shrinks, and the option of renting, say, over an eight-year period becomes more attractive. So, it depends entirely on what sort of time frame you view these investments over. If you take it over the full lifespan that the data supports — what we said in the response is that the rental option is more expensive than greenfield.

Mr. Kent: In Appendix A, again, page 36 of the same document that we have been referring to, the corporation said the following about renting — and I quote: “Renting anything comes with risks. Think of it like renting a house vs. buying one. Will there be enough rentals available when you need them? Will the cost to rent increase? What state will the rentals be when you get them? And at what point does it make financial sense to invest the money you spend each year on a rental into an owned asset.

“By investing in an owned solution we can ensure that this additional power is always available when we need it. By owning the facility, we’ll also be in a position to make sure that it is always maintained and ready for service.”

That ends that portion that I referred to.

So, my question for the witness is: Based on that comment, it certainly seems to us that the preferred option of the corporation was to purchase the thermal plant rather than continue to rent the asset. Can the YEC president confirm this for the House — if that was the preferred option of the corporation?

Mr. Hall: When we presented the decision to our board to make a final decision on whether to move forward with the plant — obviously, there are a number of different pieces of information that are brought forward. There is cost information, but critically, there is feedback from the engagement that we had done with both the public and the First Nations on whose territory the potential sites for the diesel plant were located. I think that the principal driver of the decision was really that there was no support from those First Nations, nor did we feel that there was social licence from the public nor an interest in developing a new permanent thermal asset. I would say that this was the principal driver. When all the risks and all the attributes of the different options were put on the table, that drove the decision.

Mr. Kent: I’ll move on. I might come back to that point. I just want to digest that answer and that response a little bit.

I wanted to touch on the cost of renting diesels in the current general rate application — particularly what those rented diesels will cost ratepayers.

The current GRA includes a number of aspects related to the rental of diesels. There’s the cost of the rentals and the fuel, which are captured in the non-labour O&M costs, as well as capital costs for the infrastructure set-ups in Whitehorse and Faro.

What is the total amount attributable to the rented diesels in the current GRA?

Mr. Hall: I don’t have the GR application in front of me, but the information that I do have shows that the rental cost of the 17 units is \$4.1 million. The set-up costs — which, again, provide a facility that will be useful for our expected duration

of the rental, which is up to eight years — that set-up cost is \$2.1 million. The fuel costs are approximately \$450,000. That will depend principally on the weather. We have good water in our reservoirs this winter, but of course we can’t forecast what the temperature is going to be, so the estimate that we have is \$450,000 for fuel.

Mr. Kent: Those numbers provided by the witness line up with the document tabled on October 28 by the minister responsible regarding the expenses on the rentals of diesels, but they seem to be at odds with the breakdown of what we have seen here in the general rate application.

The witness has said that he doesn’t have a copy of the GRA with him, but I guess I would ask then for him to commit to get back to us with what the costs are in the general rate application versus what the costs are in the table that was tabled here in the Legislature on October 28. The research that we have done shows a discrepancy there, so we would like to just reconcile that discrepancy.

The GRA also makes clear that the decision to cancel the new thermal plant — whether diesel, LNG, or a blend — and focus on other diesels is not strictly a switch to rentals. It appears in several spots in the GRA that the decision to cancel the new thermal plant will actually mean that YEC needs to construct several new diesel plants, but just on existing locations. When you look at appendix 5-3 on page 5-34 of the GRA, YEC states that they are focused on three near-term diesels, five megawatts of new capacity at the Whitehorse plant, the replacement of a 5.1 diesel in Faro with a new 5-megawatt diesel unit, and the installation of a new 2.5-megawatt diesel unit at Callison, which is in the Dawson City area.

Can the witness confirm that they are planning approximately 12.5 megawatts of diesel in the near term and also confirm that the spending — which looks to us to be just under \$7 million on diesel — is not included in this GRA, but will need to be included in a future GRA?

Mr. Hall: We are planning to replace 12.5 megawatts of diesel that has either retired or will retire. Those are located at the three locations at the member pointed out, namely Whitehorse, Faro, and Dawson. Those are replacement projects — no new capacity.

I think you’re comparing apples and oranges if you’re then compare that to the 20-megawatt project which was incremental capacity. That’s where the rentals are getting used — to provide new incremental capacity.

Mr. Kent: I just wanted to go back for a second to the question about the preferred option of the corporation, just having digested the witness’s response.

It seems to me that the preferred option of the corporation was to proceed with a new thermal plant, but there was no social licence. Is that what the witness had explained to us? I just want to confirm that for the record here this afternoon.

Mr. Hall: I believe my comment was that there was no social licence for a new greenfield plant, not a replacement in an existing facility.

Mr. Kent: That was the project that I was referring to with respect to that comment.

There has also been some considerable attention paid to the availability of fuel for the Energy Corporation. I'm sure that witnesses are familiar with the questions that we asked earlier this session about contingency planning and backup fuel options.

On October 14 of this current Sitting, the minister told us that — and I'll quote: "I'm going to make that commitment to the members opposite to come back and work with Yukon Energy to ensure that they do have a contingency plan so that we're ready in case something like this happens in January 2021." Of course, that was with reference to a pending fuel shortage due to some challenge with the road from here to Skagway.

I'm just looking for a few answers with respect to that commitment by the minister. Can the witnesses tell us what has been done since the minister made that commitment? Was that work underway already, or did it commence following direction from what the minister mentioned in the Legislature here and subsequent meetings?

I'll just leave it at that for now and we'll look for that answer.

Mr. Hall: In terms of contingency planning, we certainly have been engaging with the fuel suppliers in town to understand what storage is available. The Energy Corporation is also in the process of tendering its fuel requirements across the territory and we will be breaking that out by location — so it will be separate tenders for Faro, Dawson, Mayo, and Whitehorse. Particularly for the Whitehorse tender, our intention would be to enter into negotiations with the winning bidder around what minimum storage volumes they might be able to commit to. I would point out that it's a fairly complicated analysis because, at this time, we really don't know what the cost of that guaranteed storage might be. So, we need to get some feedback from the suppliers as to what they would charge — sort of a standby fee, almost — to guarantee minimum storage allocated specifically for Yukon Energy. We would then need to make a decision on whether that is an appropriate cost to pass on to ratepayers or if we would look to securing something less than that firm commitment if the costs are deemed not to be acceptable. We are certainly engaging in that process, but we don't yet have an answer on that.

Mr. Kent: Off the top, we asked about fuel consumption and the witness mentioned 2.1 million litres for the rented diesels. We are looking for some broader numbers, then, with respect to the permanent diesels that are in the system, as well as the amount of natural gas that is burned at the Whitehorse Rapids LNG facility. Does the witness have a total amount of fuel that was burned — I guess, the stats for the most recent year?

Mr. Hall: I don't have litres of diesel total or gigajoules or deliveries of LNG. If it's the quantities of fuel that the member is looking for, I'll have to revert on that. The data is clear on how many gigawatt hours of energy we generated from both sources: LNG gigawatt hours was 66, and diesel gigawatt hours was 3.8.

Mr. Kent: Before I ask a couple of questions, I just have one quick question for the witness. Is the Yukon Energy

Corporation subject to — do they pay the carbon tax on fuels, or are they exempt from that tax?

Mr. Hall: Fossil fuels used for electricity generation are exempt from the carbon tax.

Mr. Kent: I don't have to ask if there has been any planning then for the recent increase announced by the Prime Minister to the carbon tax of up to \$170 per tonne by 2030.

I have a number of other questions then. I'm just going to ask about the 2019 rate application. I'm wondering if the witnesses can tell us why that application was pulled.

Mr. Hall: I think that the simple answer is that, when we took the decision to our board, the rate application to the final rate increase from the prior 2017-18 GRA had just kicked in and it was a material bill increase. The board felt, at the time, that the timing was such that it just didn't work. It wasn't fair on Yukoners to burden them with the rate increase right on the back of what had just transpired.

Mr. Kent: My colleague just slipped me a note, so I have a question that I should have asked when it comes to the carbon tax impacts.

With respect to the trucking contract and the fuel that the trucks burn when they're hauling either diesel or LNG, I don't believe that this expenditure is exempted from carbon tax. Can the witness confirm that for us and let us know if they have started planning for the increase to \$170 per tonne of carbon tax by 2030 as announced by the Prime Minister?

Mr. Hall: I believe that the transportation fuel used in those trucks would be subject to the carbon tax. I don't have an analysis yet on what impact that may have. I would point out that one of our LNG suppliers has recently tested a much larger B-train configuration with great success. I believe that they have up to four of those running on the road right now, so we are looking forward to a reduction, actually, in our transportation piece of the LNG cost.

Mr. Kent: So, I guess we will look to get a sense of some of the work — recognizing, of course, that this increase was just recently announced by the Prime Minister. Obviously, some work will probably have to go into planning around what the carbon tax would be on hauling diesel or LNG.

The minister mentioned this in the Legislature, and I am curious — he mentioned the idea of fixed-date GRAs. I am just curious where the Energy Corporation is with respect to that — so that there is predictability, I believe, to the application timing and no gaps. So, has that been under consideration? If so — obviously, there is a GRA before the Yukon Utilities Board now — when can we expect the next one from the Energy Corporation if this fixed-date application work is underway?

Mr. Hall: I would say that, in general, the Energy Corporation would be supportive of a more regular frequency cadence to GRAs, because we have suffered from the fact that we went several years without a GRA. We built up a lot of costs, which weren't taken to rates, and then ratepayers were hit over the head all at once by substantial costs passed on.

In terms of the process, that is not a process that Yukon Energy has any role in. That would be a process that Yukon government would have to work through to provide instruction to the Yukon Utilities Board.

Mr. Kent: I certainly understand if the witness isn't in a position to answer this question, but I am curious if there is any anticipation of ATCO doing a GRA at some point in the near future. They haven't done one in — the research that I have done — approximately five years.

Again, if the witness doesn't have an answer to that question, that's fine.

Hon. Mr. Pillai: Just to go back to the last question, and then Mr. Hall can speak to the ATCO GRA. Just for the House today, I think it's important to table — I mean, we're going through a rate process now, and the discussions that I've had with Yukon Development Corporation have been around trying to get to rate every two years. That's the time frame, so I just wanted to answer that question for the opposition. That's the sense of what we're getting.

It does cost a significant amount to prepare a rate application. At the same point, if you leave it for a long period of time, it also has significant costs. So, it's about how to get that process as efficient as possible. For the Assembly today, that's something that I think would be acceptable, and it would give more certainty for business as well. I think that an ability to try to keep costs consistent over those 24-month periods would give more certainty to all involved.

Mr. Hall: I don't have any intelligence of what ATCO's plans might be in terms of a GRA.

Mr. Kent: I thank the witness. I can appreciate that.

When it comes to the current application, how much of the planning for the permanent new thermal plant that was cancelled is in this GRA? If the witness can provide us with a total amount spent on planning that new LNG, diesel, or blended-fuel plant before the board cancelled it, I would appreciate that as well.

Mr. Hall: I'm going to have to revert with a number. I don't have that number available.

Mr. Kent: I guess I'm looking for a couple of numbers. How much of the planning for that permanent plant is in the general rate application? Is that the total amount of the planning of that abandoned initiative, or is there an additional amount still outstanding?

I'm going to focus on a couple of other issues. The Aishihik water licence — I'm looking at the status of that renewal and where we're at right now — if it has been extended or if it has expired and what the current status is — working with the Champagne and Aishihik First Nations on that.

Mr. Hall: Earlier in Q1 of this year, we were granted a three-year licence to operate the facility, which allowed for further negotiations and discussions with the Champagne and Aishihik First Nations and the Yukon government about the long-term licence application.

Since that time, we have been in active dialogue, both at the technical level with the Champagne and Aishihik First Nations and also at the negotiating table, to talk about the terms of the long-term licence application. We did file the YESAB application in July of this year for the long-term licence. The YESA process is underway. The "seeking views and information" stage of that closed on December 4, so the Haines Junction DO is going about its work.

In the meantime, we are hopefully in the later phases of a tripartite negotiation between ourselves, Yukon government, and Champagne and Aishihik First Nations around a framework agreement, which talks about the long-term Water Board application but also the benefits package for the First Nation and other sort of non-regulatory work that we will do with the Champagne and Aishihik First Nations going forward.

I don't want to prejudice those negotiations because they are in, I would say, the final stages, hopefully. I think that we are optimistic in reaching — signing that framework agreement in the new year.

Mr. Kent: The witness can correct me if I am wrong — I am writing stuff down as he speaks — but there is a three-year licence that was provided in — I think he said the first quarter of 2020. That is an extension, and then there is a longer term licence that is currently going through or has just emerged from the YESA process. What would the term of that longer term licence be?

Mr. Hall: Right now, the contemplated term of that licence is 25 years.

Mr. Kent: I want to touch on some of the projects that are in the 10-year renewable plan. The first one that I wanted to talk about was the Moon Lake project. I'm curious if the witness can tell us how much that project will cost. What's the total cost estimate for it at this point?

Mr. Hall: I believe that the current cost estimate is around \$300 million.

Mr. Kent: I'm curious about the regulatory process that it will have to undergo and what milestones need to be met. It's a project that's located in British Columbia. Will it need approval by the BCEA process? Will it need federal approval because the transmission line will cross the BC-Yukon boundary? What would the role for YESAB be as well as a potential role for the utility boards not only here in the Yukon, but also in British Columbia?

Mr. Hall: You would certainly have a multi-faceted regulatory approval process. It will have to go through the BC permitting process. We've actually completed some early work on the first stage of that, which is called the "investigative use" licence that needs to be filed. There are further discussions required with the relevant First Nations before we file, but we're ready to file that application once the First Nations are on board with that filing. That's the first step in the BC regulatory process.

In terms of YESAB and the Yukon Water Board, that will depend entirely on what impacts there might be on Tutshi Lake, which is the lower reservoir and is partly in British Columbia and partly in Yukon. Our sense is that it will need to go through the YESA process as well, which is entirely appropriate for a project of its nature.

In terms of the federal approval for the transmission line, at this time, I won't say that we're certain about that, but it's not a foregone conclusion. I would view that as a spur line that connects the project to the Yukon, and certainly the comparable spur line for the Atlin project is not going through our federal process.

Mr. Kent: So, it will have to go through a BC process and a Yukon process but potentially not a federal process, so I appreciate that from the witness. What will the ownership of Moon Lake be? Will the Yukon Energy Corporation be the owner, presumably with potential First Nation partners — but will the Yukon Energy Corporation be the primary owner?

Mr. Hall: At this point, I would point out that this project is in the very early stage of conversations with the two First Nations in terms of kicking off any work together on, for example, the environmental and field work. At this stage, in terms of ownership structure, we have left that quite open in terms of being in full negotiation with the two First Nations. I think that we would be open to a range of ownership models, ranging from a Yukon Energy-owned project through to a completely stand-alone IPP and all the hybrid options in between. At this point, I think it is far too early to say.

Mr. Kent: Obviously, this is one of the projects identified as a potential future project in the 10-year renewable energy plan. When do the witnesses anticipate this being completed? Obviously, it would be sometime before 2030, so I am just curious what date they have established to have this as part of the energy mix to reach the percentage of renewable energy generation for the territory?

Mr. Hall: The development timeline for a project of this scale is typically eight to 10 years. In the final version of the 10-year renewable plan, we show Moon Lake coming online in the winter of 2028-29. That is currently what we are showing, but as I said, that timeline will get clarified as we progress through the project. Development will be approached in a stage-gate fashion where budgets and timelines are clarified progressively through each stage gate.

Mr. Kent: With that eight- to 10-year time horizon — it shows 2028 or 2029. I won't ask that question. I thought that I had a question, but I won't ask it.

There are some third-party interests in this area, though — outfitters, trappers, perhaps mineral claim holders, and others. We received some concerns from one of the outfitters in the area. We would be looking to get some confirmation that the Energy Corporation would be negotiating some level of compensation or mitigation for any disturbance to what those third-party interests have in there, whether it would be financial or other compensation. I just wanted to make sure that this is on the radar when planning this project. There are a number of third-party interests in the area as well, including the outfitter.

Mr. Hall: Mr. Deputy Chair, yes, absolutely. Engaging with any interests, particularly business interests, in the area that have provable losses, there is a well-established process for how to address that.

I would point out that, for example, in our transmission construction projects, there are trappers compensation agreements that are entered into with trappers. That is just an example of how this works. There is a well-established methodology for how to reach those settlements if they are required. We have been in communication at least with one of the parties who has a business interest on Moon Lake.

Mr. Kent: Just for a quick clarification, talks will initiate with those third parties at the outset of the planning and

continue until some sort of a reasonable solution is reached. I just wanted the witness to confirm that.

Mr. Hall: Yes. The idea would be to reach out to them early in the process. Obviously, some of the design features of Moon Lake have yet to be determined. Those could well have bearing on whether those businesses are affected or not. I think that it is reasonable that you have to wait until a certain point in the engineering when the nature of the project is better understood before you can really determine what, in some cases, are the impacts.

I would say that it is an ongoing conversation over the next few years with those individuals and businesses up there.

Mr. Kent: I appreciate that. I am going to move on to the Atlin project. I am just wondering if the witnesses could tell us — I will start with the same question that I asked about Moon Lake — what the anticipated cost is? How much will that be on a cost-per-megawatt basis?

Perhaps if the witnesses could tell us, just going back to Moon Lake — I forgot to ask that question — if there is a cost per megawatt of the \$300 million cost that was identified.

Mr. Hall: In both cases — and I referenced this in my opening remarks — the role of federal grant funding will be important in terms of providing financial support to both projects, because the reality is, with our small rate base and small population in the Yukon, to burden ratepayers with those kinds of expenditures — we have to think about rate impact. It was very deliberate, in developing the 10-year renewable plan, that an assumption around that federal funding was made. I would point out that, historically, this federal funding has always come to the table. The Mayo B project was the most recent example of a major infrastructure project that did garner a significant combination of territorial and federal funding, which again helped protect ratepayers. Really, I would say that it's a requirement of both of those projects, moving forward, that substantial federal funding be secured.

In terms of the capital costs, I would point out that Atlin will be an IPP — an independently developed project. We have some information on what that capital cost is, but, ultimately, what we've negotiated — or are in the process of finalizing in the negotiation — is the price that we will pay for the power.

Two key principles apply when we negotiate that price: (a) we don't want to drive rates relative to the next best alternative, which, in the YUB's world, is our benchmark cost of thermal; and (b) we will not pay for energy that we can't use, namely any energy bought in the summer when we have a surplus. Those two principles are driving the negotiation around what price we will pay to Atlin for that energy.

We will also pay for capacity because, as I outlined earlier, we are short on dependable capacity in our system, and so there will be a separate charge that we will pay for dependable capacity in the winter. That again is driven by the benchmark cost of capacity of our thermal generators.

In terms of what the cost of the Atlin project is, I think that it's sitting at around \$190 million to \$200 million before federal funding. But again, that is not a number that we are directly in control of. We are certainly working on securing and working with Yukon Development Corporation, Yukon

government, and the proponents in securing the federal funding to offset a substantial part of that capital investment.

Mr. Kent: So, with the Atlin project, it would be a power purchase agreement that is negotiated with the Taku River Tlingit First Nation. Will the First Nation also be constructing the transmission line, I guess, that is needed from Atlin to essentially Jakes Corner? Is that going to be their responsibility, or will that be the responsibility of the Energy Corporation?

Mr. Hall: Yes, the transmission and also the substation at Jakes Corner will be part of the project scope that the Taku River Tlingit development corporation will be responsible for.

Mr. Kent: So then, with respect to the line that goes from Whitehorse to Teslin, my understanding is that this infrastructure is owned by ATCO, essentially. They constructed that, I believe, in the mid-to-late 1980s here. Is that infrastructure able to be upgraded to take on the additional capacity potentially provided by the Atlin project? Will it remain under ATCO ownership, or will there be a new build? I'm curious about the infrastructure, essentially, from Whitehorse to Jakes Corner, or the Atlin Road junction there with the Tagish Road.

Mr. Hall: The topic of the upgrading of the line from Jakes Corner, essentially, back to Whitehorse is something that we're working on right now with ATCO and the proponents, the Taku River Tlingit. It looks like some upgrades will be required. Again, they will be budgeted as part of the project, and that line — it's ATCO's franchise area, so it will remain their — if there's an upgrade required, it will become their asset.

Mr. Kent: Just to close out the questions with respect to the Atlin project, I'm curious if the witnesses can tell us where this project is at right now. With the power-purchase agreement, will there be any reliance at all on Yukon ratepayer financing, or is it all rolled into the power-purchase agreement with the Taku River Tlingit?

Mr. Hall: In terms of the negotiation of the power-purchase agreement — or electricity-purchase agreement, as we call it — we are in negotiations with Tlingit Homeland Energy LP — THELP — which is the corporate entity down there. I would expect that, in Q1 of next year, we should be able to conclude those negotiations. It is a bit contingent on how things turn out on the funding side. There is still lots of active work going on there. In negotiations themselves, we should be able to conclude in Q1.

In terms of the negotiation costs, there will be some modest costs relative to the value of the deal over the term. In terms of how these are treated from a rates perspective, I am not sure, but I would think that they would be pretty immaterial to the larger piece of what this project brings to Yukon in terms of benefits.

Mr. Kent: With respect to the battery project that the minister provided a ministerial statement on today, I have just a couple of questions about it. Has this technology ever been used in the north? I think he mentioned that it would be one of the largest ones in the country, but has this technology ever been used in northern Canada?

Mr. Hall: Mr. Deputy Chair, there is one current operating battery facility that we are aware of — at the Diavik diamond mine. It is integrated with a small wind farm that they have there that has been operating for several years now. I believe that Hydro Québec just came out with an announcement around several batteries that they are deploying in their remote northern areas of Québec.

Mr. Kent: During the ministerial statement today, the minister mentioned that half of the cost would be covered by the federal government. I think that the number he referenced was about \$16.5 million. I am just looking for confirmation. Obviously, we expanded that to conclude that the project would be \$33 million. That difference from the number that is in the general rate application — I just wanted to get confirmation from the witnesses of the capital costs of purchasing this and then the \$16.5 million coming from the federal government. Will the entire balance come from ratepayers, or is there a Yukon government contribution as part of that remaining balance?

Mr. Hall: Mr. Deputy Chair, the current total cost estimate for the project is \$27.5 million to \$30 million. For the portion that is not covered by the federal grant, the plan at the current time is that this would be added to the rate base. That would be, on the high side, \$13.5 million.

Mr. Kent: Will that entire amount go into the rate base, or would you be looking for some measure of contribution from the Yukon government for that outstanding balance beyond what the federal government is committing?

Mr. Hall: At the current time, the plan is that the \$13.5 million would go into the rate base.

Mr. Kent: I guess the other question that I have with respect to that project — there were three sites being considered. The one on the north Klondike Highway — it was announced today — is no longer under consideration. There are two in Whitehorse. I think that the minister mentioned in his statement today that he is still negotiating leases with the potential landowners. I think that the Kwanlin Dün First Nation owns one parcel and the Ta'an Kwäch'än owns the other potential parcel. Are there O&M considerations, including leasing costs, that are being put into this for the longer term planning? If so, what are those estimates at this point?

Mr. Hall: Yes, there will be lease costs. Obviously, we are going to be signing a 25-year lease, possibly with an option to extend. I think that, at this time, given that we haven't signed a lease deal and the negotiations are still ongoing, I can't really speak to what the financial numbers are. We will have to see, once the deal is signed, whether the parties — both the lessee and the lessor — are comfortable disclosing that.

That does appear in our financials as operation and maintenance costs in due course.

Hon. Mr. Pillai: There were some questions today here in Question Period, so I think we have a good opportunity now. I know that the member opposite had asked — there were some fluctuations or differentials in pricing. I didn't have all of the documents, but inevitably there are questions that come up in the House about the costing of the battery infrastructure that we're looking at. The member opposite may touch on that or, if

not, the witnesses could today maybe share with folks here what they've experienced on the pricing toward our battery project.

Out of the gates, looking at what type of battery — and I know they have done a bit more research. I'm not sure of all the variables that have affected that project pricing. It could even be other infrastructure that is required or even sites. So, that might be good because it was a topic today during Question Period.

Mr. Kent: It was actually during the ministerial statement response today. We didn't touch on it in Question Period, but there were some moving targets with respect to the costs of it. If the witnesses have some information with respect to that, it would be great — as far as the cost increases that have come up since this project was first announced.

The witness mentioned that there will be some leasing costs. I'm just curious as to what the potential O&M costs are for the unit. Are there any estimates that the witnesses can provide on an annual basis or throughout the lifetime, I guess, of these units?

Mr. Hall: I don't have any data on the O&M costs. I would point out that we are working with Yukon government on providing some instruction to the Yukon Utilities Board to hold a part 3 hearing on this project. Our board felt that it was appropriate. The member opposite pointed out that there were potentially \$13.5 million of costs going into rate base, so we felt that, for that quantum of rate base addition, it was completely appropriate for the YUB to take a look at those costs and look at it from a ratepayer perspective.

Assuming that it goes ahead, there will be full and ample opportunity to scrutinize the economics of the project, and then the Yukon Utilities Board will take a close look at it. We're confident that they will conclude that the economics are indeed significantly favourable compared to either a permanent or a rental diesel facility in terms of cost to capacity.

Mr. Kent: Just before I leave this project, the witness, at the outset with my initial question about the cost, mentioned that it would be \$27.52 million. I just wanted him to confirm that.

Also, information that I have is that, in the GRA, it says that the total cost of the battery project is \$29.4 million. That would be a discrepancy between the number that he provided today and what has been submitted to the Yukon Utilities Board. I'm just curious about which number is correct.

Mr. Hall: So, the member opposite is correct. On page 5.1-5 — of appendix 5.1 of our GRA — which is a page of our GRA application that I do have, we listed the budget at \$29.4 million. I probably just rounded that to \$30 million in the interest of nice round numbers. I wouldn't view that as a discrepancy because, at this point, as folks would have perhaps seen, we are still to go to market for vendor quotes for the battery hardware, and so I wouldn't say that we have the accuracy that perhaps the member is looking for at this stage in the project. It really depends on the quotes that we get back from the market.

I'm certainly hoping that we'll have a good competitive process and yield competitive pricing on the scope and supply,

but I think if folks can keep a number of \$30 million — a round number — in their heads, I think that it is probably appropriate, given where the project is at.

Mr. Kent: I just have a few more topics to touch on before I turn the floor over to my colleague, the Leader of the New Democratic Party.

Obviously, there are a number of long-term projects contemplated here: Moon Lake pump storage, electricity purchase from Atlin, and Southern Lakes transmission network.

As the witness mentioned, Moon Lake, for instance, isn't contemplated on being in service until later on in this decade — perhaps 2028 or 2030. So, what is the contingency plan based on the current power demand trajectory? If we don't get these renewable projects up and running, will we be renting additional diesels to cover the gap in what we need for power? Not taking into account the goals of how much we'll generate from renewable, but what's the backup plan or the contingency plan to make sure that we have enough power for the system and for the Yukon as we move throughout this decade?

Mr. Hall: Mr. Deputy Chair, I think I would point out that our utility planning process isn't a one-shot deal. The plan is renewed and reviewed at least on a four-year basis. It could be more frequently than that if required. I think the approach right now is that if one of the major components of the plan — and that would be either the Atlin or Moon Lake pump storage — fell through for whatever reason, we would catch that as part of a future planning cycle. I think our plan A right now is very much focused on making these projects happen, which again boils down to, in large part — certainly, with Atlin securing the required funding.

In terms of what else is in the contingency plan — I mean, there are a number of other projects in the near term that will reduce the number of diesel rentals that we have and also contribute additional renewable energy to the system. Those would include the IPP standing offer program which was expanded to 40-gigawatt hours of energy supply. There are two enhanced storage projects — Southern Lakes and Mayo Lake. There is the microgeneration policy of Yukon government which continues to grow. There's the diesel replacement project — replace those retired diesels that the member opposite referenced. Then, of course, there's the battery project which we spent some time talking about.

There are elements of the plan that are nearer term and will be a matter of significant focus for us in the next few years.

Mr. Kent: I'm glad that the witness mentioned those retired diesels because I wanted to just come back to that based on some new information I received while we were here this afternoon.

So, page 5-3 of the GRA refers to the diesel retirement replacement. It states that the replacement of the new 20-megawatt greenfield plant was the initial option. In that same section which Yukon Energy Corporation submitted to the Yukon Utilities Board, it goes on to say — and I quote: "In October 2019, it was determined that considering the results of the technical environmental and socio-economic research, as well as public feedback, YEC would focus potential options to

add or replace capacity at existing generation facilities on an incremental basis as diesel engines are retired.

“This includes consideration of the following near term activities: Installation of 5 MW of thermal capacity at the Whitehorse Diesel Plant (P126); Replacement of 5.1 MW of diesel to be retired at the Faro Diesel Plant with a 5 MW diesel unit; Retirement of the existing 2.5 MW of diesel capacity in Dawson City with installation of 2.5 MW of diesel capacity at the Callison Substation.”

Earlier on, when I asked the witness if the corporation was planning approximately 12.5 MW of new diesel construction in the near term, he said that this was “comparing apples to oranges”. However, the GRA lumps the 20-megawatt plant and these smaller projects together, so that is what drew our attention to it. So, I am wondering if perhaps he would like to clarify those comments about these two projects being apples and oranges.

Just going back to my earlier question, can the Energy Corporation confirm that it is planning this 12.5 MW of diesel in the near term, and can the witness also confirm that this spending, which looks to be just under \$7 million, will need to be included in a future GRA?

I am just going to ask one final question, which was the very first question that I asked, to see if the witness has any further information on the 11.5-percent rate increase that was advertised and again mentioned by the minister in this Legislature and mentioned publicly versus what we see in the board order from the Yukon Utilities Board. I’m just curious if the witness has any further information on that.

Mr. Hall: Maybe I will answer those in reverse order. I don’t have any additional information on the GRA. I don’t have any means to get that while I’m sitting here.

In terms of the costs of — going through in reverse order there — the costs of the diesel replacement project, those are being held in WIP. They only are added to the rate base if and when the project gets put into service. I would also point out that the final investment decision on that project has not yet been made. With a project like that, we advance it through stage gates. Our board of directors has approved a certain amount of money for us to advance the project to the next stage gate where a subsequent decision is made on whether to proceed. We are working on the assumption that it will go ahead, but that is always at the discretion of the board at those stage gates to make that decision.

In terms of apples and oranges — again, certainly from the way we view the projects, they are very different. A diesel replacement project — where you are operating under an existing air permit, for example, in an existing brownfield situation — is very different from a greenfield project for 20 megawatts, where you have to go through a YESAB executive committee assessment and get a brand new air permit. I think that, practically, they are very different projects.

In terms of where they leave us in terms of how much capacity we have on the system, a diesel replacement project just catches up for capacity what we would have lost. It doesn’t look to significant additions to fill that gap that we have. In

terms of the way we view how it moves the dial, they are very different.

Mr. Kent: I would like to thank the witnesses for their time here today. I appreciate the exchange that we have had. I left a few questions on the table, but we will work our way through those perhaps with the minister in the remaining days that we have, so again, thank you to Mr. Hall and Mr. Ferbey. I will turn the floor over to my colleague, the Member for Takhini-Kopper King, the Leader of the NDP.

Hon. Mr. Pillai: I just have a quick point that I think is important and that was touched on at the end. There has been a tremendous amount of focus on the diesel generator rentals over the last 40-plus days. Mr. Hall spoke a bit about the standing offer as well as other pieces of the renewable plan. We have talked a lot about the 15 key rentals. Just for clarity today, if Mr. Hall or Mr. Ferbey were comfortable, could they talk about just having our standing offer, which is all of those different renewables — wind, solar, and all the ones that are coming on board, plus the battery with Atlin — what would our reduction be in rentals in the short term versus where we are now?

Ms. White: I thank my colleague for his questions and of course welcome the witnesses here today. Mr. Deputy Chair, it will not surprise you to know that I have a difference of opinion with the Yukon Party when it comes to purchasing diesel generators or renting them because I believe that technology will get us where we’re needing to go, which is going to bring me over to my first question.

The president of the Yukon Development Corporation talked about developing renewable energy projects and partnerships with First Nations. My first question is: What is in the pipes for us as far as new renewable energy projects coming online and relationships with First Nations in developing those?

Mr. Ferbey: Mr. Deputy Chair, I’ll speak about the innovative renewable energy project. We are working with a number of First Nation development corporations, and I will give you a sample of some of the communities that we’re in partnership with in providing support. An example would be Beaver Creek — they’re working on a solar and storage project. Carcross is also looking at a storage and solar project. Dawson City is doing some work on the North Fork, which is potentially a run-of-river hydro project. Destruction Bay and Kluane First Nation have long been working on a wind project. Of course, we’re familiar with Old Crow’s project. They’re also starting to get into the early stages of potentially looking at wind. Pelly Crossing also is looking at wind. Teslin, as we know, has incorporated a biomass project. Watson Lake and the Liard First Nation are looking at solar and storage. Of course, we have heard of the work that is being done by Chu Níikwán, which is a wind project up on Haeckel Hill. Solvest is also working with a number of First Nations, particularly in the Mayo area, also on solar projects. So, a number of these projects are in the works and people are busily moving them forward to bring them online.

Ms. White: I thank the witness for that answer. In that reply, there was mention of the wind project on Haeckel Hill,

which was talked about a number of years ago. Where is that in its development right now?

Mr. Ferbey: That's a project of Chu Níikwán. We understand that they're advancing it and looking at a timeline of this spring. If the timing is different, I would have to talk to the proponent. I would be willing to do so and bring any information if that timeline is different from what I'm saying today.

Ms. White: With the recent announcement that the Yukon Energy Corporation was taking the Southern Lakes enhancement project to YESAB, I wanted to know what has changed. What has changed? I say this in terms of — in 2006, in a *Whitehorse Star* article, the then-president said that they were leaving the project behind. I asked questions between 2011 and 2016 trying to figure out where we are.

How much money has been spent since 2006 when it was said that this project was going to be dropped to date? What has changed? Why is this going to YESAB now?

Hon. Mr. Pillai: I just want to clarify a key point on the last question about the Chu Níikwán project. We spent a tremendous amount of time ensuring that funding that is available in the Yukon could be used by development corporations and the First Nation governments and, as well, that those monies could be used on grid. That's key. There has been a lot of work done on the Haeckel Hill project, but I had to work with my colleague, Minister Streicker, in order to make changes at the highest level within the financial structure of the federal government. That work was done, and now Chu Níikwán can access those dollars.

Mr. Hall: Just to respond to the question around the Southern Lakes.

What has changed? I think that a couple of things have changed. We have declared a climate emergency. We've heard very clearly from Yukoners that they want us to develop new sources of renewables, and so we have some urgency around that.

As I've said before, the first place we look at is our existing facilities and maximizing the output of those. This is just one example. Another example would be the operating of the Whitehorse No. 2 turbine that we're currently undertaking, which installs a higher efficiency turbine and gets us more energy and capacity. If that operating is successful, we would look to roll out that kind of incremental increase across our fleet.

What else has changed is — we did go out late last year and into this year and did a further round of public engagement, including conducting, I would argue, a very rigorous survey of not only Southern Lakes residents, but also Yukoners in general, with the Yukon Bureau of Statistics. The information that we got back gave our board some comfort that there was support for this project broadly. Of course, there are residents of the Southern Lakes area who are not supportive of the project. That is quite clear. But overall, if you look at the Southern Lakes property owners, 62 percent were in support of the project. We found that to be very helpful information in terms of making a determination.

I will just point out that the decision that was announced last week was just to prepare the YESAB application. The decision on filing will be a separate decision that will be made in the spring sometime, because we do have a lot of work to do, including work with the relevant First Nations, principally Carcross/Tagish First Nation and Kwanlin Dün First Nation, to confirm that there are no showstoppers on the project from their perspective.

It's a decision to start preparation of the YESAB application and also to advance the other work that's required to get us to a potential filing next summer.

Ms. White: How many people were contacted by telephone through the Bureau of Statistics? How many people filled in comments?

Mr. Hall: Great question — I don't have the details on the survey. I can certainly revert with those. I believe they should be in the "what we heard" report.

I will comment, however, that the Yukon Bureau of Statistics confirmed that it was a statistically relevant survey. In fact, I think that we sent out two more Yukoners than would be required for statistical significance. In addition, it was sent to every single property owner in the Southern Lakes, so there was no statistical sampling of Southern Lakes residents; it was sent to everyone.

Ms. White: Thank you, Mr. Acting Chair. I apologize for not looking up the first time I said something.

I guess one of the reasons why I'm asking about the Southern Lakes — and I definitely understand the bit about climate, but going through the "what we heard" document and it talking about a thousand responses and then it being an overwhelming amount of Yukoners — I mean, an overwhelming amount of Yukoners are probably not counted from a group of a thousand. So, there are concerns there.

Some concerns that I heard throughout the entire process — having gone to many meetings previously, including the recent ones last fall — it wasn't to do so much with where people's property was; it was concern around the mitigation of erosion around the lakeshore where people didn't live — recognizing that we're talking about Bennett Lake, Tagish Lake, and Marsh Lake. I was curious as to what has changed in that regard. What will the application include, and how will that be addressed?

Mr. Hall: When you take an application like this forward — in terms of looking at where mitigation will be and where we will invest in mitigation — that's based on the science that we have done — the studies of wind and wave erosion patterns, et cetera. There is a scientific basis that drives the identification of those shoreline units that would be, in our view, subject to additional erosion. I mean, there are many areas of the lake that are experiencing natural erosion, so it's all about what is incremental if the project goes ahead. Those properties have been identified.

In terms of other property owners who are not on the list, let's say — what we have committed to is setting up an independent adjudication process. So, if a property owner who didn't get mitigation initially observes some erosion that they believe is related to the project, there would be a process and

they could come forward with a claim. That claim would be adjudicated — and it is best if that's not done by Yukon Energy, obviously — and then a determination would be made as to whether, yes, this is valid — or not.

That is one of the commitments in terms of process that are, we believe, important as an avenue for those concerned residents going forward.

Ms. White: To date, what has been spent on the data collection and the engagement of the Southern Lakes enhancement project?

Mr. Hall: It's approximately \$9 million to date. That goes back about 10 years, I believe.

Ms. White: How much is expected to be put toward the mitigation for lakeside or water shore property?

Mr. Hall: The budget, going forward, is approximately \$8 million. There is some variability around it that will be confirmed through the period between now and when we go in to YESAB because we are going to re-engage with those shoreline unit owners just to confirm their selection of mitigation choices, et cetera, because it will have been a couple years since we last spoke to them. In some cases, we have new property owners who were not part of that process that happened a couple of years back. The number that I have is about \$8 million to complete the project, and that would include the regulatory process, which is both YESAB and the Water Board.

Ms. White: Typically, how much would the corporation look at spending on a consultation process of a project before walking away?

Mr. Hall: It's a very hard question to answer. We have not made a decision to walk away, so I can't really respond to that question in this context.

Ms. White: What we could do is that we could compare it to other programs or other projects, for example.

The reason why I'm asking is that it has been since 2006 that the engagement has been ongoing. Through an entire process, except for this last one that happened in 2019, it has been overwhelmingly not positive. Knowing that the final number that the witness has just said — \$17 million — would involve the mitigation of the shore properties and that includes the \$9 million in engagement that has happened so far, I'm just wondering — \$9 million — is that kind of a number that I can expect for the Moon Lake project, prospective wind projects, or the battery project? Is that the kind of money we can look at the corporation spending to get the community to yes?

Hon. Mr. Pillai: Just for clarity, I will leave the witness to answer the question, but one thing that we have debated in the House — me and the member opposite — has been around the fact that there was absolutely millions and millions of dollars. I think the number I quoted today was \$6- or \$7 million previously; it might be higher. I was asked this by the member — as I understood it, and the witnesses can clarify it: The Energy Corporation had an obligation to go back through this process in order to finalize this with rates — so there has been millions of dollars spent, as the member opposite has said, but when those costs were brought to the Yukon Utilities

Board, the board said to go back and complete this process to conclude this project. I think that is key to this.

The money that was spent by the previous government is sitting there. It is sort of in a place where it is either booked or not booked, but the work that is underway right now is key to that. Of course, there are the concerns that were touched on by Mr. Hall around where we are in climate change, the state of emergency, and other items. That all has to be contemplated through this process.

Mr. Hall: Just to pick up on the point that was just made, in the 2009 GRA, the YUB did instruct us to go back and continue work on the project. They kind of viewed it as a good project — economic versus the next-best alternative, which, as I pointed out earlier, is the diesel or thermal benchmark. It continues to be an economic project. That provides some context to the sandbox that we are playing in from a regulatory perspective.

I would just point — I just want to confirm that the members are aware of these numbers. We hold the Yukon Bureau of Statistics in the highest regard in terms of the way in which they conduct their surveys. When they say something is statistically significant and relevant, we believe them, so I will just reiterate the numbers: 62 percent of Southern Lakes property owners support the project as do 77 percent of Whitehorse residents and 61 percent of residents in other Yukon communities. In terms of looking at an energy project in the Yukon context, we thought that there was very important information to take into account, and to characterize and say that the majority of Yukoners oppose this project — I don't believe that there is any data evidence in the numbers — data-driven evidence — to suggest that.

In terms of the broader context — yes, climate change emergency — we hear routinely that Yukoners want us to develop new sources of renewables. There are a number of different avenues that we are exploring. Mr. Ferbey outlined some that are coming through the IPP program, but here we have one that we have spent a significant amount of money on already. It doesn't require any significant infrastructure investment other than the shoreline and groundwater mitigation that I spoke about. We don't have to go out and build a new dam or flood a new valley. So, from a number of perspectives, as long as it is economic and we have First Nations — who are decision bodies in front of YESAB on the project — are supportive, it has a number of attractive attributes that really explain the decision to move forward and prepare the YESAB submission.

Ms. White: So, the \$17 million — between the \$9 million that have been spent to date and the millions in mitigation — what is the payback time that is expected in savings? How long will it take before we are even?

Mr. Hall: Mr. Deputy Chair, the way that we present those economics to the regulator is in terms of what is called the "levelized cost of energy". We don't typically work in payback terms, but it is all around what is the cost of the energy that you get from the project. Again, the benchmark and our regulatory framework — the cost of thermal generation — the

current analysis that we have is lower cost energy than the thermal benchmark.

Ms. White: Moving to Faro and the generators that have gone in there — one of the concerns that has been brought out of the community of Faro is a concern over noise. As an example, in this YESAB application, it says: “At the beginning of the question period, an attendee brought up the issue of noise, ‘it sounded like a jet engine,’ and stated that this would likely be a big concern for the community. Yukon Energy said 1 decibel difference, and even if this is to be believed, it is significant...” They said, “The non-math result: Generators could be heard inside the house when the windows closed.” Outside, they got the feeling that they were living near an airport.

How does Yukon Energy plan on mitigating the issue of noise in the community of Faro?

Mr. Hall: At this time, the estimates that we have are that the noise compared to the current engines that are in Faro are within one decibel, which I would argue is probably within the measurement area of the devices used to measure that noise — I think equivalent to the current diesel plant we have in Faro.

In terms of mitigation, we don’t have any firm plans around mitigating noise. I think it’s important to point out that, other than — what’s the frequency that we’re going to be running these units at up in Faro? They will be subject to monthly run-ups. Every month, we run them for probably an hour just to make sure that they’re operable.

Then, the only other case would be extreme cold weather. If we have minus 35 in Whitehorse, we would probably be running the units in Faro, but it’s not a foregone conclusion. Then, of course, if we have an emergency situation which is really the primary driver of why those rentals are in our fleet to begin with.

Ms. White: That’s helpful. Having spent time in Faro, it’s a super quiet community and you notice the noise. It was brought up by a resident there.

One of the questions or discussions that we’ve had often — the witnesses and I — is around smart meters or a smart grid. I know that one of the challenges has been in front of the YUB for that. With the peak smart program that has gone out with the residential demand-side management, I’m just wondering if that is maybe a step toward a smart grid or smart meters?

Mr. Hall: Mr. Deputy Chair, I think at this time we don’t have any firm plans to roll out smart meters. I think what’s interesting is that technology is evolving to the point that maybe smart meters aren’t really required to get a lot of the benefits that we’re looking for in terms of utility control of devices.

For example, the member referenced the peak smart program. There, we are using Internet-enabled devices and technology to essentially control — the people who sign up — their hot water tanks and baseboard heaters — no need for a smart meter. So, it could be that a lot of these programs or the DSM programs that we are planning to roll out could be executed without going to the formal route of a smart meter. What smart meters do help with is something like time-of-use rates and more advanced rate schedules, which we’ve looked at from time to time, but again, we don’t really have any plans to

move forward with. Getting a new rate schedule is an extremely complex regulatory process to go through. But I think our focus right now is on DSM programs that we can execute through Internet-enabled control.

Ms. White: With that peak smart, there was the hope that there would be 400 homes for each — the baseboard heaters and the water heaters. Was that program fully utilized?

Mr. Hall: Yes. Actually, through COVID, we had an amazing response through the summer, and we are fully subscribed. Obviously, when you get to that number of volunteers, not everyone follows through, and actually, in some cases, folks have had legitimate concerns around granting access to their homes through COVID to the contractors. So, I wouldn’t say that we have 400 installs right now, but there are certainly 400 people on the books to roll it out to.

Ms. White: Fantastic; thank you. I thank the witness for the answer. I can say that it was a painless process when they came to install the meter on my hot water tank. I believe that, if you want to figure it out, you have to participate. So, that is why I was there.

With the two-year pilot program, what is the plan for once that program is finished? How will the data be utilized to plan future decisions?

Mr. Hall: Yes. The whole idea of a pilot is to gather data on a whole range of things but focusing on two areas. What is the quantum of the peak that we can avoid? And ultimately, you get to a per-household reduction, but then you multiply that out by how many households you think you could sign up.

What is the user experience? Because what you’re doing is essentially — when that evening peak is arriving, you are pre-heating the home by a few degrees and then letting it cool down as the peak comes and goes — which is a user experience at the end of the day. There is an important piece of data around — is there any discomfort through that? Likewise, with a hot water tank — do you notice any cooling off of the water, or is it really imperceptible? So, we’ll take those two bits of information together and look at if you can build an economic case for a permanent program. What that would look like is basically a permanent installation in your home and then potentially some financial compensation for participants to sign up. There would actually be a financial incentive to participate in a permanent program.

Ms. White: The witness mentioned other demand-side management prospects in the future. Can he share with us what some of those might look like?

Mr. Hall: The specific design of the programs is still to be done, so I can’t say for sure what that suite will look like. As outlined in *Our Clean Future* — the energy and climate change strategy — there is a requirement for us to collaborate with Yukon government’s Energy branch of the delivery of those programs just to make sure that there is no duplication of programs, just to be efficient.

But in general, the Yukon government’s programs broadly are focused on energy — so reducing energy consumption — whereas our programs will be focused on, again, that peak mitigation — so reducing peak demand. Basically, they are going to involve programs that switch off devices at certain

times of the day — that would be the easy way to understand it. What those devices are and how it works remains to be seen, but that's the general idea. Every megawatt of peak that we can avoid is a megawatt that we don't have to go and build somewhere else.

Mr. Ferbey: Maybe I will add one piece because it's important to the demand-side management work that YEC is doing. One of the constraints in the past — and they saw that in the 2017-18 GRA — was some of the demand-side management costs not being included. The utility spoke about it in the decision — not prudently incurred. This is one of the pieces that YDC has been tasked to work on — an OIC amendment that will address renewable energy costs and, of course, demand-side management. We're looking at having that in place — most of the drafting is done — very early in the new year to present to the minister for that OIC potential amendment and government's consideration on demand-side management.

Ms. White: That is exciting news. Is Yukon Energy Corporation or YDC working at all with the Yukon Conservation Society with their electric thermal storage pilot project?

Mr. Hall: There is potential to add a utility-control component to that pilot. I actually had a call with YCS this morning just to get an update. Right now, I believe that they're just starting the rollout. I think that there are three installations with another five scheduled for the next few months. Right now, they're just on a fixed time of day that the ETS charges and discharges. Eventually, we can get more sophisticated than that and actually trigger the charge-discharge from our control room. That would be the idea, but it's not part of the initial — I would say — year, at least, of the pilot.

Ms. White: There are some exciting things happening on the east coast of Canada where the utility owns the ETS system, so they're used as battery storage in the interim — fascinating things that can happen on that side.

In 2012, YEC said that the increase — when they were talking about an energy rate increase — will allow us to continue our work securing a sustainable energy future for Yukoners. That was in 2012. Unfortunately, I would suggest that there hasn't been a huge amount of renewable energy brought to the grid since then.

What is driving the current energy rate increase? We talked a bit about the general increase application. It is 441 pages, to be fair. It takes quite a bit of time to go through. We've heard the number "11.5" and then we've heard "17.1". Within that concern is the question of rate shock and what that is.

If, in 2012, YEC said that it was to allow us to continue renewable projects, what is included in this rate application?

Mr. Hall: If you look at the breakdown of the rate drivers of this current GRA, about half of it is related to capital investments. Those are driven by two things. The one is what I call the "sustaining capital". It's the capital that we need to invest just to keep our system running.

As we all know, we have an asset base that was built starting in the 1950s and through the 1970s. Those assets are getting to end of life, and we have very concrete examples of

what that looks like. It's not particularly sexy stuff, but it's absolutely critical. Some examples of projects that are going into rate base and that are significant are — over the last three years, we have been refurbishing our transmission line backbone. That would be the transmission line from Aishihik through to Whitehorse-Carmacks-Faro. That transmission line was built in the 1970s. Those poles don't last forever. The insulators don't last forever. We have been chipping away at that over the last three years, but they are significant dollars in terms of investment. There is a piece of the capital that we don't talk about a lot, but it is significant to what we are essentially bringing to rate.

In terms of on the new supply side, one of the key projects that is being brought to rate in this application is the Whitehorse No. 2 operating project. I talked about that earlier. That is an example of trying to squeeze more energy out of our existing facilities. I would argue that this turbine is getting old as well, so you get a bit of a double benefit. You can get more output and replace it with a brand new turbine. That is a significant project. It has been completed and will be brought to rate next year.

I think that capital is about half of the driver of this rate increase. It is a feature that we see across Canada. A lot of utilities are in a position similar to us where not only do they have aging infrastructure, but they are also needing to invest in more generation, either for growth or just to bring more renewables online. That combination really does put us in a tough spot. The capital investments are significant, and in the absence of federal funding, ratepayers pay for that.

Ms. White: When we look at Yukon Energy and supplying energy to mines, it says that Yukon Energy has an obligation, within reason, to serve all customers who hook up to the grid. When we are talking about mines, what does "within reason" mean? We have the example today of how Diavik was put on wind generation — that was an example that I have used for years — and now knowing that they have put in a battery, which north of the 60th parallel is a pretty big deal.

So, that is an example of an industrial user that is actually producing their own energy, so what is within reason when we talk about Yukon Energy having an obligation to supply customers?

Mr. Hall: That's a really tough question to answer. If I look at our existing industrial customers — Minto has been a customer for several years now. Alexco is looking to re-enter operation, but they have an existing power-purchase agreement, so that's a legal contract between us and them around the supply of electricity.

Certainly, if you want to focus on the Victoria Gold grid connection, they paid for the spur line. They will pay, through the fixed charge, a contribution toward the Mayo-McQueen cost, as will Alexco. Those mining customers pay toward that infrastructure billed out to serve them.

We went through the analysis and presented that to the Yukon Utilities Board in terms of what that was going to do to rates. It certainly wasn't the rate driver in terms of incrementally for Victoria Gold to join the grid. Perhaps the next mine will be a tough situation, but frankly, with three

hardrock mines prospectively connected this year, it's hard to know what that next mine is going to be. There's nothing immediately on the horizon. There are a bunch of off-grid mines that seem to be moving through the regulatory process, but nothing on grid that we have seen — at least in the next 10 years, because it really takes 10 years to permit and build a mine. I would argue that there's not really an on-grid mine out there that's even in that 10-year cycle right now. But the next mine that joins the grid may be a more challenging conversation, depending on how much in renewables we have on the system at that time.

Ms. White: I have just one last question and then I'll stand down. Has the LNG facility been living up to its expectation? Has it run smoothly? Have there been any large repairs? What's the status of the LNG facility?

Mr. Hall: I think I relayed some of the data on the LNG plant. In 2018, 30 gigawatt hours out of that plant versus seven out of diesel, and last year, 66 gigawatt hours versus 3.8 from diesel.

I think that just shows the point that it is our first-on-thermal facility, and we run it in preference — that is what that means — and then the data shows that. We really run diesel when the LNG plant is already on.

In terms of the reliability of the system, we have had some issues with the engines. We had some issues earlier this year when one of the valve stems, which is a piece of the engine, broke and dropped into the cylinder and caused some damage. We had a couple of units out of commission for quite an extended period. I will comment, however, that the units are long out of warranty, and yet the supplier is picking up about 75 percent of those costs. We have had very good support from Jenbacher and their subsequent new owners in terms of aftermarket support for the engines. They have been very supportive in terms of financially not exposing us to significant costs.

Deputy Chair: The time now is 5:30 p.m. The time designated for the appearance of witnesses, pursuant to Committee of the Whole Motion No. 7, has now expired.

The Chair shall, on behalf of the Committee, offer our thanks to Justin Ferbey, president and chief executive officer of the Yukon Development Corporation, and Andrew Hall, president and chief executive officer of the Yukon Energy Corporation, for appearing as witnesses today.

Hon. Mr. Pillai: I just want to thank the witnesses for coming in today and being available to the opposition, as well as our chair, who is here — Ms. Cabott — as well as Mr. Pemberton, who is following us today — a thank you to him. These folks have worked tirelessly on behalf of Yukoners. As well, Yukon Energy Corporation staff and the team there — when things are as cold as they possibly can be and weather is as bad as it possibly can be, those are the folks inside and outside of that organization who are out there ensuring that we are looked after. Thank you to those folks today as well.

Witnesses excused

Deputy Chair: The Chair shall now rise and report to the House.

Speaker resumes the Chair

Speaker: I will now call the House to order.

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

Chair's report

Mr. Adel: Mr. Speaker, pursuant to Committee of the Whole Motion No. 7 adopted earlier today, witnesses appeared before Committee of the Whole to answer questions related to the Yukon Development Corporation and the Yukon Energy Corporation.

Speaker: You have heard the report from the Deputy Chair of Committee of the Whole.

Are you agreed?

Some Hon. Members: Agreed.

Speaker: I declare the report carried.

Speaker's ruling

Speaker: The Chair will now provide a ruling respecting the application of Standing Order 19(f) of the Yukon Legislative Assembly's Standing Orders. I thank the House for your indulgence. I had received a fair bit of information from the Member for Lake Laberge, which had to be processed, and I received some research from the Clerks-at-the-Table.

Earlier in today's proceedings, the Member for Lake Laberge raised a point of order regarding whether Motion No. 387, standing in the name of the Member for Copperbelt North, should be debated in this House as the member contended that it would be contrary to Standing Order 19(f), our sub judice rule.

Motion No. 387 reads as follows:

THAT this House supports the Yukon Energy Corporation's *10-Year Renewable Electricity Plan Technical Report*.

Sub judice conventions across Canada, including in Yukon, exist so that matters before the courts are not discussed in the Legislative Assembly in order to not prejudice matters before the courts. The *House of Commons Procedure and Practice*, third edition, states that the sub judice convention maintains the "separation and mutual respect between the legislative and judicial branches of government." However, interestingly — and I quote: "The interpretation of this convention is left to the Speaker since no rule exists to prevent Parliament from discussing a matter which is sub judice." In Yukon, as in all legislatures across Canada, no attempt has ever been made to strictly codify the practice.

In the matter I am deciding today, an application process is held before the Yukon Utilities Board, established under the *Public Utilities Act*, where the applicant — in this case, the Yukon Energy Corporation — has a general rate application before the board. The question is whether the Yukon Utilities Board is, in fact, a court as contemplated in Standing Order

19(f) of the Standing Orders of the Yukon Legislative Assembly.

It is the Chair's view that this would be a significant and dramatic expansion of the definition of a "court". The Yukon Utilities Board does not function as trial court or really as an appellate court either, as the matters before it are largely those of public policy and the setting of a reasonable rate of return on equity.

I note, as well, that the matters which the Yukon Utilities Board considers have been debated extensively in this Chamber during periods when general rate applications have previously been before the board and, in fact, at various times during this Sitting, including today.

I am therefore of the opinion that the Standing Order 19(f) sub judice exclusion does not apply in this case. Motion No. 387 can therefore be debated tomorrow.

Speaker: The time being 5:36 p.m., this House now stands adjourned until 1:00 p.m. tomorrow.

The House adjourned at 5:36 p.m.

The following documents were filed December 15, 2020:

34-3-42

10-Year Renewable Electricity Plan Technical Report — December 2020 — Yukon Energy Corporation (Pillai)

34-3-43

Improving support for Yukon's EMS volunteers, letter re (dated December 21, 2018) from Brad Cathers, Member for Lake Laberge, to Hon. John Streicker, Minister of Community Services (Cathers)

34-3-44

Yukon EMS Rural Coverage and Issues, letter re (dated February 19, 2019) from Brad Cathers, Member for Lake Laberge, to Hon. John Streicker, Minister of Community Services (Cathers)

34-3-45

Yukon EMS Rural Coverage and Issues, letter re (dated March 27, 2019) from Hon. John Streicker, Minister of Community Services, to Brad Cathers, Member for Lake Laberge (Cathers)