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HANSARD

Thursday, November 17, 2022 — 1:00 p.m.

Speaker: The Honourable Jeremy Harper

YUKON LEGISLATIVE ASSEMBLY

2022 Fall Sitting

SPEAKER — Hon. Jeremy Harper, MLA, Mayo-Tatchun
DEPUTY SPEAKER and CHAIR OF COMMITTEE OF THE WHOLE — Annie Blake, MLA, Vuntut Gwitchin
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Hon. Tracy-Anne McPhee	Riverdale South	Deputy Premier Minister of Health and Social Services; Justice
Hon. Nils Clarke	Riverdale North	Minister of Highways and Public Works; Environment
Hon. John Streicker	Mount Lorne-Southern Lakes	Government House Leader Minister of Energy, Mines and Resources; Public Service Commission; Minister responsible for the Yukon Development Corporation and the Yukon Energy Corporation; French Language Services Directorate
Hon. Ranj Pillai	Porter Creek South	Minister of Economic Development; Tourism and Culture; Minister responsible for the Yukon Housing Corporation; Yukon Liquor Corporation and the Yukon Lottery Commission
Hon. Richard Mostyn	Whitehorse West	Minister of Community Services; Minister responsible for the Workers' Compensation Health and Safety Board
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Yukon Party

Currie Dixon	Leader of the Official Opposition Copperbelt North	Scott Kent	Official Opposition House Leader Copperbelt South
Brad Cathers	Lake Laberge	Patti McLeod	Watson Lake
Yvonne Clarke	Porter Creek Centre	Geraldine Van Bibber	Porter Creek North
Wade Istchenko	Kluane	Stacey Hassard	Pelly-Nisutlin

THIRD PARTY

New Democratic Party

Kate White	Leader of the Third Party Takhini-Kopper King
Emily Tredger	Third Party House Leader Whitehorse Centre
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Yukon Legislative Assembly**Whitehorse, Yukon****Thursday, November 17, 2022 — 1:00 p.m.**

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

*Prayers***Speaker's statement in recognition of National Child Day**

Speaker: I have a statement. National Child Day is on Sunday, November 20. We have in the gallery today Child and Youth Advocate staff: Annette King, Child and Youth Advocate; Anya Braeuner, advocacy caseworker; Shauna Kewin, advocacy caseworker; and Julia Milnes, deputy advocate.

In addition, they are joined by artists from *We Are Storytellers*: Grey Capot-Blanc; Justin Johnson; and Justin's mother, Tracy Kane.

On November 20, 1989 — 33 years ago — the United Nations *Convention on the Rights of the Child*, UNCRC, was adopted by the United Nations General Assembly.

Canada ratified the UNCRC two years later, in December 1991. The convention is the most widely ratified human rights treaty in history. National Child Day recognizes the historic commitment to the world's children. All governments carry the responsibility and obligations to uphold children's rights.

There are 42 rights outlined in the convention that focus on non-discrimination, survival, development, considerations of the best interests of children, and participation of children in the decisions that affect them. Every child has the right to be protected from harm, be provided with the provisions to develop to their full potential, and be given the opportunity to be active participants in, and agents of, their own lives. This day provides an opportunity to celebrate the power of youth voices and the actions of those who work to promote the realization of children's rights.

In 2009, the Yukon government passed the *Child and Youth Advocate Act*. Since that time, the advocate has addressed 1,400 advocacy issues for over 800 children and youth to ensure that the rights under the UNCRC are fully upheld. These youth have learned that they have a right, through the advocacy office, and that their views are important and matter. They are encouraged to use their voice and feel empowered and heard.

This year the Child and Youth Advocate Office published *We Are Storytellers*, a collection of stories and artworks from both established and emerging youth artists from across the territory. The goal of this project is to celebrate the incredible diversity of creative talent that we have here in the Yukon, and to give young people a space to share their stories in their own ways.

We Are Storytellers showcases work from 18 Yukon youth artists representing both Whitehorse and several communities.

These artists are: Billie-Janine Richard, from Whitehorse and a citizen of Kwanlin Dün First Nation; Samreen Ahmad, from Whitehorse; Stormy Bradley, from Dawson City and a citizen of Tr'ondëk Hwëch'in First Nation; Hakim, from Whitehorse; Grey Capot-Blanc, from Whitehorse; Robby Dick, from Ross River and a citizen of Kaska Dene First Nation; Jiah Dzentu, from Fort Simpson, NWT, now living in Whitehorse; Meriya Gmeiner-McPherson, from Whitehorse; Victoria Holmes, from Dawson City; Justin Johnson, from Haines Junction and a member of Champagne and Aishihik First Nations; Wilfred Johnston, from Teslin and a member of the Teslin Tlingit Council; Ali Khodakarami, from Whitehorse; Tiana Lucas, from Pelly Crossing and a member of Selkirk First Nation; Chantai Minet, from Whitehorse and a member of Teslin Tlingit Council; Cole Pauls, from Haines Junction and a member of Champagne and Aishihik First Nations; Sarina Primozic, from Haines Junction and a member of Champagne and Aishihik First Nations; Nika Silverfox-Young, from Carmacks and a member of Little Salmon Carmacks First Nation; and Carissa Waugh, from Whitehorse and a member of Kwanlin Dün First Nation.

The book was compiled and edited by the Child and Youth Advocate Office's Christopher Tse. The book has been supported by Douma Alwarid, who is a fierce champion for local talent and youth art throughout the Yukon and is stocking the book on her shelves at Unorthodox.

Today, we celebrate all of these young artists for their talent, creativity, stories, and resilience. As a Yukon community, we are all better off when our young people step into the space and share their voices through their unique gifts. The Child and Youth Advocate Office honours these young people today ahead of National Child Day, and remains dedicated to empowering children and youth to paint a world they wish to see for themselves in the future.

DAILY ROUTINE

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

Introduction of visitors.

INTRODUCTION OF VISITORS

Hon. Mr. Streicker: Could we please welcome several guests from the Energy branch here today. They are here for the ministerial statement. In the gallery with us are: Shravan Adiyodi, David Gonda, Aletta Leitch, Eoin Sheridan, Judy Booth, Heather Semotiuk, Cathy Cottrell, Shane Andre, and Natalie Pendergast. Two of our guests today, Mr. Speaker, are actually attending the geoscience mining 101 today — so, if we could welcome them all, please.

Applause

Hon. Mr. Pillai: I would also ask my colleagues in the Assembly to welcome some of our team from Tourism and Culture who are here for our tribute today. With us is Director Sophie Tremblay Morissette — busy week, completing her hat trick here this week with us; Tamika Knutson, who has also taken on a new role where she will be mentoring and guiding

indigenous artists in our pilot project with the Canada Council, and I want to thank her; and, as well, all of the communications people who have come together this week — Cameron “Dapper” Webber is with us as well today. I would like to welcome all of you.

Applause

Mr. Istchenko: I don’t think they have been introduced already, but I would like to welcome to the Legislative Assembly today Tracy Kane and her son Justin Johnson. I just wanted to add that he did a really neat art piece for Remembrance Day, so I want to thank him for that.

Applause

Speaker: Tributes.

TRIBUTES

In recognition of Geoscience Forum and Trade Show 50th anniversary

Hon. Mr. Streicker: Mr. Speaker, it is my pleasure to stand today to tribute the 50th annual Geoscience Forum and Trade Show. It’s both remarkable and yet somehow not surprising that Geoscience has been going for half a century. Starting this Saturday, November 19, we will have the chance to hear from leaders of the territory’s mineral exploration, from investors and industry experts, and we’ll hear the latest geoscience updates from our amazing Yukon Geological Survey.

The Geoscience Forum is organized as a partnership between the Chamber of Mines, industry, and the Yukon government. I would like to thank the organizers for all of their hard work. It’s great to be returning to an in-person event this year, as well as providing opportunities for people to follow along remotely.

It’s an exciting time for the territory’s mining industry. The transition to a clean-energy economy is creating demands for critical minerals that the Yukon possesses. Responsible mining of these minerals is a way for the territory to make a positive contribution to Canada’s clean-energy future while also creating well-paying jobs in our communities.

Right now, we are collaborating with First Nations to develop new mining legislation to better reflect our relationship with the land and foster a modern and sustainable mining industry. I also want to remind Yukoners that the Dawson Regional Planning Commission has now released their recommended Dawson land use plan. Tr’ondëk Hwëch’in and the Yukon government are soliciting your feedback on the plan, and your thoughts will help shape the overall vision for the region.

Thank you to the mineral exploration industry — Natural Resources Canada’s estimate of the Yukon’s exploration’s spending was up to \$158 million in 2022. In particular, the exploration industry leveraged the \$1.4 million Yukon mineral exploration program to generate \$4.4 million in exploration investment. So, congratulations to Yukon mining. In their annual report, the Fraser Institute ranked the Yukon in the top 10 for desirable mining jurisdictions globally — up from 18th

in 2020. Yukon mining continues to attract interest from investors, explorers, and miners due to our mineral potential, identified resources, stability, and track record.

Yukoners support a strong, sustainable and responsible mining industry. This year’s 50th annual Geoscience conference will provide many opportunities to learn more about the territory’s geology and industry. I hope to see you there.

Applause

Ms. McLeod: I rise on behalf of the Yukon Party Official Opposition to recognize the 50th anniversary of the Geoscience Forum and Trade Show. This year, Geoscience’s golden anniversary will be focused around the theme, “Resources, Resilience and Relationships”. Emphasis will be placed on the challenges faced by industry throughout its history in the Yukon and the resilience of all those who have helped to overcome those challenges. That resilience is shown in the organizers as we return to a large in-person gathering following the pandemic, and the agenda and trade show promise to be great again this year.

For 50 years, Geoscience has brought together mining industry players to connect and celebrate all of their accomplishments and contributions. It’s an opportunity to gather and network for miners, geologists, tradespeople, management, all levels of government, and all others who play a role in keeping our mining sector alive and well.

There’s an impressive list of speakers for this year’s event. We will hear updates on many Yukon projects, as well as information from the Yukon Geological Survey on quartz and placer mining activities. There are so much that individuals and organizations do in order to promote and advance the industry year after year.

Thank you for all your contributions to the Yukon. Thank you to all industry partners for making Geoscience successful, to the Yukon Chamber of Mines for the work they do to organize this important event, and to all contractors and sponsors who make it possible. I hope to see some familiar faces at events over the next week from my days as Watson Lake’s mining recorder.

Once again, congratulations to all on your golden anniversary, and thank you.

Applause

Ms. White: I rise on behalf of the Yukon NDP to celebrate the 50th anniversary of Yukon Geoscience Forum and Trade Show. The organizers of this year’s event have outdone themselves with a jam-packed agenda of discussions, panels, and more. From the pre-conference programming that starts today to the four days of events, this year’s anniversary conference promises to be memorable.

We have heard from my colleagues on just how much is happening in the on-the-ground preparation to the events themselves. It is fantastic news. Because, although it will appear seamless, events like these just don’t happen by themselves. Behind the scenes are the hard-working staff and volunteers from many different organizations, such as the hard-working folks at the Yukon Geological Survey who have put

together an exciting day-long program for the Yukon placer forum. Without the generous sponsorships of businesses near and far, events like these just wouldn't be possible.

People involved in all aspects of the mining community — from exploration geologists to expeditors, pilots, underground miners, equipment operators and junior mining companies, and all shades in between — can come from very different places, but they share a few common traits. They are a patient bunch, from waiting for planes or helicopters on socked-in days to doing in-field equipment repair. From minor to major problem solving, these folks know how to shake it off, and I bet they all play a pretty mean game of crib. They are problem-solvers, they are dreamers, and they love what they do.

The successes of others are celebrated from discoveries to advancements in the industry, and it will be hard to find a more appreciative audience. These forums' formal and informal gatherings are a chance to get together and tell stories. I can tell you that folks in these industries have some of the wildest stories to share.

Events like the Geoscience Forum are an opportunity for really busy, passionate people to get together to learn, discuss, plan, and celebrate. We wish them all an interesting, engaging and informative Geoscience Forum.

Applause

In recognition of Sobey Art Award finalist Krystle Silverfox

Hon. Mr. Pillai: I rise today on behalf of the Yukon Liberal government to pay tribute to Krystle Silverfox for her short-listing at this year's Sobey Art Award.

A partnership between the Sobey Art Foundation and the National Gallery of Canada, the Sobey Art Award is one of the most prestigious contemporary visual arts awards in Canada. With a top prize of \$100,000 and over \$400,000 disbursed between the long- and short-listed nominees, the Sobey Art Award celebrates the country's most exciting young artists.

A long list of 25 artists is chosen by a panel of knowledgeable and influential art representatives from across Canada, from which a short list is later selected featuring one finalist from each of the country's five regions. With a distinct and powerful artistic perspective across an array of media, Krystle Silverfox's reputation continues to grow. A Wolf clan member of the Selkirk First Nation, Krystle's photography, sculpture, textile, and digital collage explores themes of social and environmental justice, colonial reckoning, and matriarchal power and tradition.

In addition to the exhibition at prominent galleries across Canada, Krystle was the 2021 Shakaat artist in residence at the Kwanlin Dün Cultural Centre and a finalist for last year's inaugural Yukon Prize. Krystle Silverfox's work is also held in the Yukon permanent art collection, with three pieces added to the collection earlier this year and now featured as part of the exhibition of the 2021-22 acquisitions that opened in the foyer of this very building earlier today.

Krystle's art is captivating to view in person and adds much to the evolving story of Yukon's visual art told by the collection. For Yukoners who find themselves in Ottawa in the

coming months, the works of all of the shortlisted nominees for this year's Sobey Art Award can be viewed at the National Gallery of Canada.

In paying tribute to Krystle today, I would be remiss if I didn't mention that she is the fifth Yukon artist in recent years to receive a nomination. This list includes: Yukon Prize winner Joseph Tisiga in 2020; Charles Stankieveh in 2016; Peter Morin in 2014; and Sonja Ahlers in 2011. The fact that these ranks continue to grow speaks to the level of artistic skill and passion possessed by Yukon artists and the importance of their respective voices to the national dialogue.

We have always known that Yukon's flourishing arts community is truly second to none. It is heartening to see the rest of Canada taking notice with recognition on platforms such as this.

Congratulations, Krystle, on your national recognition, shortlisting at this year's Sobey Art Award.

Applause

Ms. Van Bibber: I rise on behalf of the Yukon Party Official Opposition to recognize Yukon artist Krystle Silverfox, a finalist for the 2022 Sobey Art Award.

This national award is a prestigious award for young visual artists as it propels careers and provides a large money prize so that artists can continue their work.

For 20 years, this award, founded by businessman and art collector, Frank H. Sobey, champions young, contemporary artists from across Canada. It is quite a process, and I will tell you how she got there.

Broken into five regions of Canada — Atlantic, Québec, Ontario, prairies and the north, and west coast and Yukon — and then five artists are chosen from each region, and then, from those 25 semi-finalists, one from each of the five regions is chosen for the finals.

The west coast and Yukon finalist this year was Krystle Silverfox. Krystle was raised in Vancouver and is from the Wolf clan of the Selkirk First Nation. She is truly west coast-Yukon. Her visual art — painting, sculpture, and photography — raises awareness of her indigenous feminism and her experience in stories. Her exhibit "All That Glitters Is Not Gold" won Krystle her spot, and all the finalists' displays can be seen at the National Gallery of Canada in Ottawa from October 28 to March 12, 2023. The winner was announced last night, November 16, at the art gallery. It is Divya Mehra from Winnipeg — the prairies and north region.

Krystle has a long list of recognition: short-listed for the 2018 RBC painting competition, the 2018/2020 Lind prize, 2019 Salt Spring National Art Prize, and the 2021 Yukon Prize for Visual Arts.

Congratulations go out to the winner, Divya, and the other finalists, but a big, special shout-out to the west coast-Yukon Krystle Silverfox. We are proud of your accomplishments and we wish you continued success.

Applause

Ms. Blake: I rise on behalf of the NDP to congratulate Krystle Silverfox on being nominated for the National Gallery

of Canada Sobey Award. This is an immense honour and a real indication of the dedication, love, and hard work that Krystle has done to achieve this national level of recognition. The works of Krystle that I have looked at challenge us, as viewers, to consider reconciliation and loss of language, culture, history, and community. Other pieces are commentaries on land and resource extraction. I could spend a lot of time looking at these amazing works and the messages that they carry.

Our congratulations to Krystle. We will look forward to more of her works in the future and more recognition that you so deserve.

Applause

Speaker: Are there any returns or documents for tabling?

TABLING RETURNS AND DOCUMENTS

Hon. Mr. Streicker: I have for tabling today the Canadian energy efficiency scorecard for the Yukon, as published today by Efficiency Canada for 2022.

Hon. Mr. Pillai: I have for tabling today a news release from April 8, 2015, from the Yukon Party entitled, “Fifth and Rogers project moving ahead”.

I have another press release from January 11, 2016, from the Yukon Party, entitled “Fifth and Rogers planning contract awarded”.

I would also like to table a letter from December 16, 2021, from the Yukon Housing Corporation to the City of Whitehorse.

I also would like to table today the certificate of title for Safe at Home, from the Land Titles office.

Mr. Dixon: I have for tabling a memorandum of understanding between the City of Whitehorse and the Yukon government.

Speaker: Are there any reports of committees?

Are there any petitions to be presented?

Are there any bills to be introduced?

Are there any notices of motions?

NOTICES OF MOTIONS

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

THAT this House urges the Government of Yukon to update the ISO 3166 country subdivision code for the Yukon with the Standards Council of Canada.

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

THAT this House urges the Government of Yukon to expand access to the cystic fibrosis treatment known as “Trikafta” to children aged six and up in the Yukon Drug Formulary.

Speaker: Is there statement by a minister?

MINISTERIAL STATEMENT

Energy policy

Hon. Mr. Streicker: In 2019, we declared a climate emergency in the Yukon and, in 2020, we released *Our Clean Future*, an ambitious Yukon-wide strategy to address our changing climate in a comprehensive and sustainable way. The strategy aims to reduce Yukon’s greenhouse gas emissions by 45 percent, generate 50 percent of our heating needs from renewable sources, reduce off-grid use in communities by 30 percent, and ensure 97 percent of electricity in the territory’s main electricity grid comes from renewable sources — even as the population and economy continue to grow, and they are growing. Between 2016 and 2021, the Yukon’s population grew over 12 percent — the fastest rate in the country and more than double the national average. The Yukon’s economy has also grown every year since 2016, and the Yukon currently has the strongest economy in the country, with GDP up 10 percent.

The need to address the territory’s future and energy needs in a sustainable way could not be clearer. That is why our Liberal government is taking a comprehensive approach and working with partners to increase efficiency and renewable energy capacity across the territory. We continue to make substantial investments toward the Yukon Energy Corporation’s 10-year renewable electricity plan, which complements and reinforces the goals of *Our Clean Future*. It represents a bold vision for our territory’s sustainability while reducing Yukon’s carbon emissions. This includes the new grid-scale battery project in Whitehorse in partnership with Kwanlin Dün First Nation and the Ta’an Kwäch’än Council. That will be the largest battery project in the north and one of the largest in Canada. The recently upgraded Mayo-McQuesten transmission line now has additional capacity and provides reliable, renewable energy to the region, including to the Eagle gold mine, reducing its greenhouse gas emissions by up to 53,000 tonnes annually.

We are investing \$50 million over the next three years toward the Atlin hydro expansion project in partnership with the Taku River Tlingit First Nation, the BC government, and the Government of Canada. We are also investing millions of dollars toward wind energy projects in Whitehorse and Kluane in partnership with the Kluane First Nation; solar energy in Dawson, Whitehorse, Beaver Creek, Watson Lake, and Old Crow. We are working with partners on the feasibility of geothermal, solar, wind, and energy storage in Carcross, Pelly Crossing, Carmacks, and across the Yukon. These are just some of the projects underway.

This year’s budget includes more than \$35 million for renewable energy projects and each project that we support helps us to transition off of fossil fuels.

This morning, Efficiency Canada released the 2022 Canadian energy efficiency scorecard, and for the first time, they were able to include the Yukon alongside provinces. Overall, the Yukon came sixth for jurisdictions in Canada, which is a strong start for us as a territory.

From the Yukon scorecard that I tabled today, Efficiency Canada said — and I quote: “The Yukon leads the country in several areas. The territory has the highest program spending

per capita in the country, and it has annual fossil fuel savings (as a percentage of demand) that are four times the level of Québec.”

As Yukon’s population and economic growth continue to lead the country, we will continue to build a sustainable, efficient, and renewable future for Yukoners.

Mr. Kent: Thank you, Mr. Speaker, for the opportunity to respond to this ministerial statement today regarding energy policy.

We were happy to see that the Yukon is included in Efficiency Canada’s 2022 provincial energy efficiency scorecard for the first time. Finishing sixth out of 11 jurisdictions is something that we should all be very proud of, and I would like to take the opportunity to congratulate the officials in government who have designed and implemented many successful programs under both Yukon Party and Liberal governments.

While the Yukon scores quite high in several areas, including the highest program spending per capita in the country, there is still much work to do. While we are doing well in program spending, our scores for buildings and transport are relatively low, and we scored a zero for industry, which I am hoping the minister will address in his response. One of the areas where improvement is needed is in evaluation of program savings, so I am hoping that the minister can tell us what the plans are for that.

We have had a substantial amount of debate this Sitting on various goals and initiatives regarding the implementation of *Our Clean Future*. Here are few of the concerns that we have from that debate. As we have been questioning over the past few weeks, the Atlin hydro expansion project is delayed, it is overbudget, and it has unsecured funding. There is also little information on the Moon Lake project and how it will be built and financed. We continue to have questions around renewable energy projects that have an unclear future.

We also have questions about other commitments. To meet the electric vehicle goal of 4,800 by 2030, there needs to be an average of 11 new electric vehicles per week on Yukon roads, starting January 1, 2023, until the deadline is reached. This seems ambitious, especially given that the minister told this House that he doesn’t expect the current incentive of \$5,000 per vehicle to last until 2030.

The Yukon Climate Leadership Council report suggested using a portion of carbon tax revenues for energy-efficiency projects to meet the 45-percent targets that are set out in the *Clean Energy Act*. However, the minister told us that they will reject this recommendation. We have yet to see the Liberal response to the YCLC report, so we are left to wonder what other recommendations they will be rejecting.

Another important overall question is with respect to recent signals of austerity by Minister Freeland in Canada. Will we see any downward adjustment of Yukon expenditures on any of these programs or projects as a result of those austerity measures?

Again, I want to conclude by congratulating all of those Yukon government officials who have been working on these

energy-efficiency initiatives, and I look forward to seeing how we do in next year’s report card.

Ms. White: In the recent energy efficiency scorecard, Efficiency Canada ranked Yukon sixth out of 11 ranked jurisdictions in the country, but it’s still in the bottom half. We are behind even Doug Ford’s Ontario. The report also highlights that we are the only jurisdiction to score a zero for reducing emissions in industrial settings like mining, forestry, and construction. I applaud the folks at the Energy branch for getting us this far. It’s due to their hard work on building retrofits and financing that we have been allowed to score as well as we did.

So, while there are some good policies in place to help Yukoners reduce their energy usage, we have a long way to go. I look to the minister to provide leadership and direction in helping us to continue to climb the ranks of this report. Thanks to the brilliant folks on the Climate Leadership Council, we know that there are some measures in Climate Shot 2030 that will help get us there. The Efficiency Canada report commends the Yukon for having the highest per capita spending, a regular feature for a jurisdiction with such a small population, but they also note that there is no independent audit of the amount of savings that this spending generates for Yukoners, which makes it difficult to accurately rank the territory’s savings compared to other jurisdictions.

Beyond the report, the minister needs to follow the approach of the Climate Leadership Council in all of its climate initiatives. Not only did they look at the greenhouse gas reductions of a particular policy, but they also looked at the other benefits of each policy. Does it increase social equity? Does it foster community health and vitality?

When we look at a lot of this government’s efficiency programs, they are often geared to people who can already afford to start these projects — loans that don’t cover the whole amount, and grants and rebates that still require a person to have a lot of cash on hand to get started. I encourage the minister to drive through a mobile home park or some of the older neighbourhoods in the territory. These homes are some of the most in need of retrofits, and the people who live in them are most in need of the cost-savings, and these are the people least able to afford them.

So, again, I applaud the work that has been done so far, and I hope that, because of the work of the Climate Leadership Council, the Yukon will climb the ranks and become an efficiency leader, but when we look for energy savings, we need to remember that we face twin crises — that of climate and affordability. We must remember those who need the help the most, and design programs and policies with them in mind.

Hon. Mr. Streicker: So, six out of 11 is right in the middle. It’s not at the bottom. It’s not at the top. It’s the middle, and I think that it is a good starting point. It is important that we have programs that are accessible for Yukoners.

For example, with this report, the better building program isn’t part of it yet, but it is about to be part of it, and I think the Minister of Community Services let me know that the City of

Whitehorse and the Town of Watson Lake have indicated that they are getting on board. That is great news. That will be another place where we get more access.

By the way, the better building program is terrific because it gives citizens a very low interest loan, and the payback then can be set by them over time where they get the energy savings against the payback of that loan. That's a way that is accessible.

I will also say that, when I reached out to Efficiency Canada, I thanked them. I reached out to them last year and suggested that they get the Yukon in there. I want to thank them for doing that. I reached back out to them this year, and they offered to connect with our Energy branch. I reached out to the deputy minister to say that this would be great. They explained to me some of the challenges of working with small jurisdictions and how data is difficult for us. We know that. We will work with them, and we will help to get more information to them as we are able.

I also will acknowledge that the folks in the gallery from the Energy branch are the ones who are working right now to do the modelling on the Yukon Climate Leadership Council's proposed actions to try to see which ones we can get good benefit from.

I think that this is all really strong stuff. We will get more on buildings. We will get more on transportation. The Member for Copperbelt South was saying that we are not doing well enough in transportation and we need to move faster. I am happy to move faster on that with the Minister of Highways and Public Works and the Minister of Environment. I think that's a good idea.

I will talk a little bit for a second about Atlin. We will continue to disagree with the Yukon Party. Their perspective is that Atlin costs too much. All infrastructure projects have been going up. It's just the cost of the infrastructure projects themselves. If the Yukon Party were in power, and they decided that what they wanted to do was build a liquefied natural gas plant — that's what they said they wanted to do — I bet you the cost for that would be going up too.

All right, so we should compare and take a look. The plan for Atlin just went through the Utilities Board. I thank the Utilities Board for their comments, but the price for running the liquefied natural gas plant — or what we call the “thermal benchmark price” — was set at 19 cents in that application, but actually it is over 20 cents now because the price of fossil fuels keeps going up.

So that's what it costs — 21 cents per kilowatt hour. That compares to winter energy, which we will buy from Atlin with this project at 13.5 cents per kilowatt hour. That drops to 9.7 cents per kilowatt hour in 10 years. That's a great price.

Do you know what else that compares to? The Yukon Party put in place a microgeneration program for buying solar from Yukoners at 21 cents per kilowatt hour. I think it's still a good program because it incentivizes Yukoners to move off of fossil fuels, but practically speaking, I would much rather buy 13.5 cents per kilowatt hour in the winter versus 21 cents per kilowatt hour in the summer for fossil fuels or for solar.

Speaker: This then brings us to Question Period.

QUESTION PERIOD

Question re: Canada Winter Games bid cancellation

Mr. Dixon: Following the announcement that the Yukon Liberals made this week that they were pulling their support for the bid to host the 2027 Canada Winter Games, several of the bid partners and supporting groups expressed surprise and shock about the announcement. I would like to ask the minister about the discussions and negotiations that led to that announcement.

First of all, the City of Whitehorse was formerly a co-host, and in the memorandum of understanding between the city and Government of Yukon that I tabled earlier, it states: “As co-hosts, the Parties are considered equal partners in media events, public communications, and engagement with representatives of the Canada Games Council.”

Was the City of Whitehorse involved in this decision as an equal partner? Did they participate in the decision to scrap the bid, or did the minister simply notify them of the decision at the final hour?

Hon. Mr. Mostyn: What we're talking about this afternoon is wrapped in the Canada Games, but it's really about fiscally responsible decision-making. We started working on the Canada Games bid following the last election. The bid committee worked on our submission for 18 months. They worked hard and I commend them for that incredible work. The City of Whitehorse, through that process, as one of the members of the bid committee, identified their needs in the arena to properly service its citizens. The city's minimum requirements were included in the bid proposal, which was submitted to the Canada Games committee in September. Also, in September, we formally asked the federal government for \$138 million in funding to support the bid. In the first week of November, the federal government responded and offered \$3 million.

Based on that, Cabinet met and decided we could not afford to host the Canada Games in 2027. We informed our partners of that decision immediately, because we knew the Canada Games would have to find a new host city, and that's what happened, Mr. Speaker. We made a very difficult decision. I think the federal government also made a difficult decision about whether or not they could support this bid, and that's how it went down.

Mr. Dixon: With all due respect, the minister didn't answer my question. My question was about the role of the City of Whitehorse in this decision. He has noted that the City of Whitehorse was on the bid committee, but they were more than that. They were also a formal co-host of this event, and there was a memorandum of understanding between the City of Whitehorse and the Government of Yukon about this, that says that they are to be considered equal partners in media events and public communications.

So, my question for the minister is simple: Did the City of Whitehorse participate in the decision to scrap the bid, or did the minister simply notify them at the final hour?

Hon. Mr. Mostyn: As I said, fiscal responsibility — I want to go back. This was always going to be a very expensive

undertaking. The 2007 Games was also very costly, and certainly not without its problems. The government spent \$43 million more than it planned to, for example. The athletes' village housing was late and ended up being a pre-fabricated building that was delivered from BC. The opening and closing ceremonies were held in a tent; they cost a fortune to heat. It wasn't all smooth sailing, and the Auditor General's report on the Games certainly highlights that. In 2008, the Auditor General reported that the government had not yet evaluated the results of its involvement in the Games. It spent about \$43 million more than the amount it estimated at the time that it accepted the City of Whitehorse's bid for the Games.

We worked with our partners to put together a bid for the Canada Games Council; we submitted that bid, alongside a request from the federal government to help support this bid. We have received a \$3-million commitment from the federal government. That was not enough for this Yukon government to go ahead. We have made a decision to not host the Games. We have communicated that to our partners. It was a fiscally prudent decision; it wasn't an easy decision, and we stand by it.

Mr. Dixon: Despite the minister's comments, it wasn't the decision for him to make alone. He had a memorandum of understanding with the City of Whitehorse that allowed them to be full partners in media events and public communications. This is probably the most important public communication that the minister could have made about this project. So, it stands to reason that the City of Whitehorse should have been involved per the memorandum of understanding that I tabled earlier today.

Now, I appreciate the history lesson about the 2007 Games from the minister, but my question is very simple. It is about the decision he made earlier this week: Did the minister include the City of Whitehorse in the decision as an equal partner, as he committed to, or were they simply notified at the final hour?

Hon. Mr. Mostyn: I am a bit confused here. Is the Leader of the Official Opposition suggesting this afternoon that we should have proceeded with a Games proposal that would have committed the Yukon government to \$160 million in funding, with no federal support? If the Yukon Party went forward like this process, like they did in 2007, we would either have had to cut spending, or saddle the territory with more than \$100 million in debt.

So, I would like to know this afternoon — which is it? Which way would the Yukon Party have gone? As I said in my answer earlier — and I don't know if the member opposite was listening — we made a decision as a Cabinet. We then communicated our decision to our partners. As I recall, the City of Whitehorse put out a statement that afternoon, supporting the decision we came to, as a government. It was a prudent, fiscal decision on behalf of this government. We worked very hard on this bid proposal with our partners, very closely over the last 18 months. In the end, the federal government made the very difficult decision that they could not support the bid with anything more than \$3 million. Faced with that, this government made a difficult decision, as well, and said that we are not going to proceed with the Games.

Question re: Canada Winter Games bid cancellation

Mr. Dixon: Unfortunately, the City of Whitehorse is not a member of the Liberal Cabinet, so, of course, they should have been involved in this decision, because the minister committed to them that he would allow them to be a part of the decision-making when they agreed to the memorandum of understanding.

However, another important group that expressed surprise at the Yukon Liberals announcement was the Canada Games Council itself. Canada Games Council president and CEO Kelly-Ann Paul told CBC Yukon this week that they are now behind the eight ball and will be scrambling to find a new host. She also expressed concern about the extravagance of the Yukon's bid, and here is what she said — quote: “The proposal was definitely, you know, a shinier version than what would have been required to host the Canada games...” When asked whether the territory could have hosted the Games at a lesser cost, she said yes.

So, can the minister tell us if either the Yukon government or the City of Whitehorse had considered a scaled-down version of the Games that considered other options — for instance, perhaps reconsidering the need for a new \$115-million hockey rink?

Hon. Mr. Mostyn: Well, the leopard is really revealing his spots this afternoon. I can say that I am very surprised — very, very surprised this afternoon to hear the Leader of the Official Opposition Yukon Party disparaging the bid committee. We did not go with the deluxe model; neither did the bid committee. Over 18 months, we worked closely together with the City of Whitehorse and the Canada Games Council, and submitted a bid that reflected the needs of the Canada Games Council and the City of Whitehorse.

The City of Whitehorse identified their needs in the arena to properly serve their citizens. As I have said many times in this Chamber, municipalities are responsible governments. They are elected to reflect the needs of their citizens. I fully expect that the City of Whitehorse did that in putting together the bid with our team. The city's minimum requirements were included in the bid proposal that we submitted to the Canada Games Committee. The committee did excellent work, and I commend them for that work. We spent significant time paring that proposal back, working it, honing it, and refining it to the barest minimum needs of the City of Whitehorse and the Games Committee.

If the Yukon Party is suggesting that we host it anyway with no legacy, then we disagree.

Mr. Dixon: Well, Mr. Speaker, we know that it wasn't the barest minimum needs of the Canada Games, because the president and CEO of the Canada Games Council came out and clearly stated that. She said, “The proposal was definitely, you know, a shinier version than what would have been required to host the Canada games...”

She also noted when asked whether the territory could have hosted the Games at a lesser cost, she said yes. So, it was very clear that these Games could have been scaled back if the

minister had gone back to the City of Whitehorse and talked to them about a scaled-back version.

Why did the minister not consider another option?

Hon. Mr. Mostyn: He can keep fishing, but he's not going to catch anything.

The fact is that we worked very, very closely with our partners at the City of Whitehorse and with the Canada Games committee to refine our proposal. The Games committee did excellent work, and I want to once again congratulate them for that work. I think that we spent significant time refining, honing, and making sure that bid was as tight as it could possibly be. Frankly, the committee did that work, and they did it in very, very close consultation with the City of Whitehorse. I don't know if the member opposite is criticizing the City of Whitehorse this afternoon, because they reflected the needs of their citizens in that bid, and we submitted that bid, which also met the needs of the Canada Games committee. They wanted housing; they said we needed four sheets of ice — we did what we were expected to.

Now, armchair quarterbacks are going to sit there and second-guess the decision, but the fact is that the committee did excellent work. We stand by that decision. I think that, if the Yukon Party suggests that we go ahead without any funding from the federal government, or with only \$3 million in funding from the federal government, and commit the government to \$160 million in facilities and infrastructure for a Games without a net — I know they have done that before. We looked at it, and in these times —

Speaker: Order, please.

Mr. Dixon: Another notable person expressing surprise and sadness with the Yukon Liberal's decision was our Member of Parliament. In a radio interview this week, the MP made it clear he was disappointed in how the minister has framed this decision, and from the federal government's perspective, funding discussions were still very much ongoing. In fact, he actually suggested that, while a firm commitment for the full amount of the shiny Cadillac version was unlikely, the federal government was very much committed to providing further financial support.

He said that federal officials, staff, and even ministers' offices were — and I quote: "... highly engaged in trying to work with the Yukon government to see, 'How can we figure this out? How can we get the funding?'"

It seems that pretty much every group out there was urging the Yukon to look at a scaled-down version of the Games. Can the minister tell us why the Yukon Liberals didn't look at any other options before unilaterally making this decision?

Hon. Mr. Mostyn: I will reiterate the last five answers, scale 'em down. We put in a bid. The bid was honed and refined in consultation and close work with our partners — both at the Canada Games Council and the City of Whitehorse. Once we got that bid together, we submitted it to the Canada Games Council. We also submitted, alongside of it, a request to the federal government for \$138 million to support that.

The federal government came back. They made a difficult decision, and said, "We are prepared to give \$3 million." The Yukon Cabinet met and decided that wasn't enough money to

proceed with the Games, so we decided, as a Cabinet, that we could not support the Games.

Now, the member opposite is talking about his approach, and we saw that in 2007 with the Yukon Party government. They went ahead without any money. The Auditor General of Canada came out after the fact and said that the government has not yet evaluated the results of its involvement in the Games. It spent about \$43 million more than the amount it had estimated at the time they accepted the City of Whitehorse's bid for the Games.

We are making a responsible decision on behalf of Yukoners. We stand by that decision.

Question re: Systemic abuse allegations at Jack Hulland Elementary School

Ms. White: On Monday, I asked the minister about systemic abuse at Jack Hulland Elementary School. While the minister read the same briefing note six times in a row, she failed to answer any of the actual questions, like why this Liberal government allowed a policy of systemically abusing children, which started under the Yukon Party 14 years ago, to continue under the Liberal watch for another four years.

Today I have another question. The Department of Education requires schools to file a report when disciplinary actions are taken. Department officials have shared that Jack Hulland Elementary School accounts for about a quarter of all disciplinary reports filed for the entire territory in the last five years. I'm sure the department has those numbers.

Will the minister tell Yukoners exactly how many students were put in solitary confinement at Jack Hulland Elementary School after the department built cells in 2008?

In 2007, he left.

Hon. Ms. McLean: I'll start by saying that these matters are of the most serious nature, and matters that we absolutely take very seriously. The safety, protection, and well-being of our children when they are in our care is absolutely paramount. It's the most important thing.

We know that, each and every day, parents entrust their children to the Department of Education and to teaching staff across this territory. Our priority is to support students, families, and staff through these matters. These are matters that are before the courts. There are ongoing investigations. These are very serious matters.

I talked earlier this week, during Question Period, about the fact that we hired a legal team to conduct a fact-finding investigation into allegations at Jack Hulland Elementary School. That investigation is ongoing. The initial findings were turned over to the RCMP and are now part of that investigation.

Again, Mr. Speaker, these matters are of the most serious nature.

Ms. White: So, I will remind the minister that, for four years under this government, solitary confinement was used as a form of punishment against children. I really appreciate all the hard work that is being done right now to right the wrongs of both the Liberal Party and the Yukon Party, but my concern is about those who have been left doing that work.

The minister's speaking notes talk extensively about supporting the Jack Hulland community, yet as far as they are concerned, the support is nowhere in sight. Individual employees at the school have been left trying, on their own, to obtain the counselling supports needed for students and teachers.

Will the minister tell Yukoners exactly what supports the Department of Education is offering to the victims of abuses, their parents, and the staff at Jack Hulland, and how are they communicating these support options to those who need them?

Hon. Ms. McLean: As I talked about earlier this week, we have communicated the serious nature of the investigation into the use of holds and restraints at the school from the onset of this investigation through direct communication with parents, guardians, and Jack Hulland Elementary School, and will continue to do so.

In May, our deputy minister made some public statements regarding that and also sent a very clear letter clarifying the employer's expectation of educators in respect to managing student behaviour. We had all of the teaching staff undergo very specific non-violent crisis intervention training.

The other points that I wanted to make is that students continue to receive quality education at Jack Hulland Elementary School and positive work is happening at the school to ensure student success in their learning. There is a new principal at the school, along with new vice-principals. I think that these are very important points to make.

I know that these are very difficult times. Post-incident communication guidelines are being used. These are a result of our *Safer Schools Action Plan*. There are other policies that are now in play as a result of that action plan, and I will continue to speak about those —

Speaker: Order, please.

Ms. White: So, parents and families are disagreeing with this minister's assertions about what the Department of Education is doing to support them. After Question Period on Monday, I heard from parents. Here is a sample of what they said to me: I learned that my child was abused from the Child and Youth Advocate's Office by chance — not by the Department of Education contacting us. Another said: I was offered zero services. In fact, I have to keep fighting for services even now. Another parent said: I haven't received a single update from the Department of Education, only suggestions of who to talk to in the future, should we wish to discuss the matters affecting our child. One parent even told us that, after a month of trying, the department continues to deny them access to important documents that would confirm if their child was a victim.

So, will the minister tell this House exactly how many families, both former and current, have been contacted by the Department of Education and offered support?

Hon. Ms. McLean: I have gone over some of the information regarding how communications have occurred with families and those who may be impacted by these serious matters. Again, we are conducting — and it is ongoing — an internal investigation into the risk assessments, as the member opposite has spoke about today. Information was also shared

with families, and a meeting was held in participation with Victim Services, Family and Children's Services, the family resources unit, and Mental Wellness and Substance Use Services.

We are focused on supporting families, and I really encourage the member opposite, if there is information that she thinks that I should have, please come forward. The RCMP have reached out as well. We have helped to communicate with families. They have also put out a public call for folks to come forward if they feel that they may have been impacted by these serious matters, and we will continue to work closely with the school community. Mr. Speaker, we have a strong administrative team in place. Children continue to be educated and —

Speaker: Order, please.

Question re: Resource Gateway project

Mr. Hassard: So, the Yukon Resource Gateway project is a massive infrastructure investment with an estimated total of almost \$458 million. Now, the Prime Minister came to the Yukon five years ago to announce this project, and according to the Government of Canada's website, the approval date for this project was July 24, 2019. So far, only the Carmacks bypass and the Nordenskiöld bridge have actually seen shovels in the ground. So, given that we are four construction seasons since approval, can the minister give us an updated budget and timeline for this project?

Hon. Mr. Clarke: The Yukon Resource Gateway program, as indicated, is valued at approximately \$468 million and includes infrastructure upgrades for up to 650 kilometres of existing roads and areas with high mineral potential and active mining in the Yukon. Improving infrastructure to Yukon's most mineral-rich areas will set us on course for a more prosperous future, moving the Yukon forward.

The Yukon Resource Gateway program has a number of infrastructure projects that are going through various stages of planning, design, assessment, and construction. The Yukon government is working in collaboration with Yukon First Nations to seek input and finalize project agreements for components of the Yukon Resource Gateway program within their traditional territories.

As I've said previously, six project agreements have been signed for seven components with Yukon First Nations to date. The program will provide opportunities to Yukon First Nations through short- and long-term employment options, training, and benefit agreements.

The Yukon government has worked hard to increase the flexibility of the gateway funding program with the Government of Canada. The funding program now includes additional flexibility to focus on projects that First Nations and communities have requested.

Mr. Hassard: Unfortunately, we didn't get an answer, so we will try again.

According to the minister's confidential briefing notes from the spring — and I quote: "In January 2020, a Project Agreement with Liard First Nation was approved for the first phase of the Nahanni Range Road component." This proposed

project includes two bridge replacements and one bridge rehabilitation. It also says that YESAA and other regulatory submissions would be done in spring 2022, with construction to begin 2023.

Can the minister confirm if these timelines are accurate? Will the construction start next year, and what is the budget for this project?

Hon. Mr. Clarke: The Yukon is, as we know, leading the country in economic growth. We are working to make sure that all Yukoners benefit from our territory's economic growth. We are moving the territory forward by working in partnership with First Nations to upgrade resource infrastructure while providing benefits to Yukon communities. Gateway projects provide economic employment and training opportunities for Yukon First Nations and communities.

As indicated by the member opposite, the Carmacks bypass project had significant work that was accomplished last year with respect to road-building and bridge-building. That work will continue next year. The total value of that project is approaching \$30 million. We continue to have discussions with Na-Cho Nyäk Dun with respect to possible work on the Silver Trail, with the Liard First Nation on parts of the Robert Campbell Highway and the road to Cantung, the Nahanni Range Road, as well as with the Ross River Dena Council with respect to the connector between Faro and Ross River. These are exciting times for the Yukon Resource Gateway program.

Mr. Hassard: They really should be exciting times but, unfortunately, the minister doesn't appear to know what's happening with any of the projects.

Another gateway project under the Liard First Nation agreement is the construction of the Campbell Highway from kilometre 354.9 to kilometre 414.4, which, of course, is between Ross River and Faro. According to the minister's spring briefing notes, procurement for a four-kilometre portion is scheduled for this year with construction to start next year.

Can the minister confirm if this project will meet those timelines, when will the remaining 56 kilometres be completed, and what is the budget for this project?

Hon. Mr. Clarke: In June 2020, the project agreement was signed for the Liard First Nation for this section of the Robert Campbell Highway. This project, which runs from kilometre 114 to kilometre 171, includes road construction sight-line improvements and has an estimated capital construction cost of \$50 million. Environmental baseline information will be collected in collaboration with Liard First Nation this fall, and I am advised, with respect to next year, there will be additional environmental assessment of that area, and also, brushing work on that highway will occur next year.

Mr. Speaker, let's see — the Yukon is moving forward in an unprecedented way this summer. We know that the Nisutlin Bay bridge project is now going, and the pilings are going into the water, almost as we speak. That is \$160 million in the Member for Pelly-Nisutlin's home riding. The Yukon Party was so close to getting the Nisutlin Bay bridge off the ground a number of years ago, but did not get it done. We have approximately \$250 million of improvements that will occur —

the Erik Nielsen Whitehorse International Airport in the next four or five years. We are moving the Yukon forward.

Question re: Wetlands protection

Mr. Istchenko: So, policy development research regarding wetlands continues to be a topic of concern for many Yukoners. Yesterday, the Minister of Energy, Mines and Resources tabled two documents on the subject — one from CPAWS, and one from the KPMA. In the CBC story earlier this week, he said — and I quote: "I appreciate the recommendations that CPAWS has come up with, but I still think we probably need to tighten up the science a little bit before we're sure how big of a problem it is or not." He also said the territorial government would cover the cost of joint research into the issue.

So, can the minister tell us how much he is willing to spend on this research, and if he will involve industry groups, as well as environmental NGOs?

Hon. Mr. Streicker: That is exactly what I said to the media, that's what I have said to industry, and that's what I have said to the environmental groups. Each time, it seems like there are competing perspectives on how much placer mining is affecting wetlands with respect to CO₂ emissions. So, what I have said, for a long time now with these groups, is let's stop doing this, where we put out these perspectives without doing it jointly.

What I have suggested is that we sit down as a group with industry, the environmental organizations, and us as a government, to define the research questions and to find a suitable researcher who can go off and do that work. Yes, of course, we want to work with all the groups.

I will acknowledge that, recently, on the successor mining legislation tables, that industry and environmental groups have been working together alongside each other — with different perspectives, of course, but working constructively to share their perspectives.

Mr. Istchenko: I had asked how much the minister was willing spend on this research, and he didn't answer that.

In a confidential briefing note from the Minister of Environment's spring binder, it states — and I quote: "We are committed to completing a Yukon wetlands stewardship policy by 2022."

Can the Minister of Environment tell us if this policy is complete, and where can we find a copy of it?

Hon. Mr. Streicker: We haven't engaged with academics yet about the project, so I don't have a price for the research work. I just don't know what the price is yet, so I can't share that with the House, but I have committed both to industry and environmental groups. In fact, before I tabled the documents yesterday, I reached out to both of them to say that I am tabling both of these on both sides, so that everyone knew. I have been trying to be completely transparent with all interested parties on this subject.

I know that, with respect to the wetlands policy, it is in the final stages. I know, for example, that the minister and I were discussing it just a couple of days ago. I think it has one more

round to do internally on our side, but I know it has been progressing.

Mr. Istchenko: In October 2020, the Yukon Water Board held a hearing on placer mining in wetlands. In another confidential note, it says — and I quote: “We thank the Yukon Water Board for holding its public interest hearing on ‘Placer Mining in Wetlands’. We are considering their recommendation to establish a technical advisory committee on wetlands.”

Can the minister update us on this? Has his department determined if they will establish a technical advisory committee on wetlands, based on the Yukon Water Board recommendations?

Hon. Mr. Streicker: The wetlands policy really came out from conversations with industry, conversations with environmental groups, and the Water Board. We just noted that we needed something more comprehensive across the board. So, we had roundtable discussions on the development of the policy for the stewardship of our wetlands, and we had over 60 organizations represented — federal groups, territorial and municipal governments, First Nation governments, boards, and industry — and, as I said, the environmental non-governmental organizations.

So, that is the work that is getting us to that policy. We are quite close now. That is our next step.

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

ORDERS OF THE DAY

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

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

Motion agreed to

Speaker leaves the Chair

COMMITTEE OF THE WHOLE

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

Motion re appearance of witnesses

Committee of the Whole Motion No. 10

Hon. Mr. Streicker: I move:

THAT from 3:30 p.m. to 5:30 p.m. on Thursday, November 17, 2022, Mike Pemberton, Chair of the Yukon Development Corporation Board of Directors; Lesley Cabott, Chair of the Yukon Energy Corporation Board of Directors; 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 regarding the operations of the Yukon Development Corporation and the Yukon Energy Corporation.

I have many photocopied copies.

Chair: It has been moved by the Member for Mount Lorne-Southern Lakes:

THAT from 3:30 p.m. to 5:30 p.m. on Thursday, November 17, 2022, Mike Pemberton, Chair of the Yukon Development Corporation Board of Directors; Lesley Cabott, Chair of the Yukon Energy Corporation Board of Directors; 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 regarding the operations of the Yukon Development Corporation and the Yukon Energy Corporation.

Is there any debate?

Hon. Mr. Streicker: I am going to make a few comments this afternoon about this motion. The reason is that, earlier this year, we proposed to bring in the Energy Corporation and the Development Corporation, and it was at the Spring Sitting. The opposition members voted against that.

Now, today — I went back after we got into debate, for example, on the Atlin hydro project, on battery, and on Moon Lake, and I have answered a lot of questions about that. I appreciate that ability to stand on my feet, but I also recognize that the Yukon Party, in particular, has questioned a lot of those projects. I said to myself, well, let’s bring the Yukon Energy Corporation back in. What we have done as a government since 2016 is that we have brought the Yukon Energy Corporation in every year. It has typically been the spring for us, but that changed because of the election last year, so we made sure to bring in the Yukon Energy Corporation in the fall. That led to the spring, and then the members opposite voted it down.

I would just like to say that I think that it is important that there be opportunities to have the Yukon Energy Corporation in here to answer those questions. I thought that this spring when we invited them here. Then it was voted down, and I believed that this fall as well. It will be our pattern to seek to bring in the corporation once a year. There are always things happening with the corporation, and I think that it would always be to the advantage of the opposition in this House to have the ability to ask those questions.

So, I am up today. I will not belabour the point too much, but I believe that one of the strange things for us is that we made the attempt to bring the corporations here for the opposition members to ask questions. They said no.

I am glad that they are coming back today. I hope that they will vote in favour of it today.

Committee of the Whole Motion No. 10 agreed to

Chair: The matter now before the Committee is general debate on Vote 51, Department of Community Services, in Bill No. 206, entitled *Second Appropriation Act 2022-23*.

Do members wish to take a brief recess?

All Hon. Members: Agreed.

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

Recess

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

Bill No. 206: *Second Appropriation Act 2022-23* — continued

Chair: The matter now before Committee is general debate on Vote 51, Department of Community Services, in Bill No. 206, entitled *Second Appropriation Act 2022-23*.

Department of Community Services

Chair: Is there any general debate?

Hon. Mr. Mostyn: Before I begin, I want to welcome Phil MacDonald and Matt King to the Chamber this afternoon. They are going to be providing assistance to me as we go through a few items in Community Services. We have very few items in our supplementary estimates that we are talking about this afternoon. I am pleased to present them.

The supplementary estimates total \$20.152 million in operation and maintenance expenditures. We have had another challenging year in the realm of fire and flood. As a result, our request focuses on wildfires and floods.

This year's fire season was intense. Communities, contractors, and crews were challenged by an early season of flood response in communities across the territory, followed immediately by a hot start to July, with an unprecedented weather event that led to more than 21,000 lightning strikes, about 20 new fires per day, and 136 fire starts alone in late June and early July. Staff in every fire management region faced up to six weeks of flood response, wildfires of note, evacuation alerts, and critical infrastructure disruptions.

The season came in like a lion and, thankfully, moved toward more seasonal averages through the end of July and into the fall. We experienced more than twice as many fires as last year — 274 fires in all. They burned 75 percent more forest — 175,200 hectares in all. To put this in context, over the last 25 years, the Yukon experienced an average of 102 fires over the entire fire season. Once again, we had 274 fires last year.

The season was above average in terms of hectares burned, but not a record. It was, however, challenging, given the proximity of fires to major highways, communities, and infrastructure. With nearly 60 fires in critical and full suppression zones near our communities, highways, and infrastructure, the team worked hard to contain and extinguish the threats. Our budget request reflects the action taken to extinguish these priority fires.

Six major fires threatened communities, highways, or public utility infrastructure in Watson Lake, Ross River, Mayo, Beaver Creek, and Carmacks fire management districts. The north Klondike Highway was closed by fire between Stewart Crossing and Pelly Crossing for eight days. The Robert Campbell Highway was affected by fire near Finlayson Lake, Frances Lake, and Tuchitua Corner for 14 days.

Silver Trail itself was not directly affected by fire, but all residents were placed on an evacuation alert for seven days. This took many hands. We were very thankful for our Yukon

Wildland Fire team, our partners in Yukon First Nations Wildfire, First Nation governments, and the additional personnel and equipment from Alberta, BC, and Ontario. This was all provided under our mutual aid resource-sharing agreement through the Canadian Inter-agency Forest Fire Centre.

While the entire area between Stewart Crossing and Keno was under an evacuation alert, and the Klondike Highway was closed as a result of these fires, we are proud to say that nobody was injured. We thank our teams and can measure success based on a number of factors, including no loss of life, minimal loss of property, significant reduction in human-caused fires, and containment of fires within the priority action zones — which is a significant measure of performance.

In response to changing conditions and the impacts of climate change, over the past year, the branch has continued its plans to modernize and shift from primarily a response agency to an agency that leads a whole-of-government approach to forest fire management and the creation of wildfire-resistant Yukon communities.

I thank the hard-working people involved in managing this year's wildland fire season in our territory and for keeping our people and communities safe. I appreciate the work of First Nation governments, municipalities, contractors, community members, and agencies involved for their work to support a well-unified response. We are requesting \$15.96 million in this supplementary estimate for Wildland Fire Management's response this season.

During this year's wildfire season, the Yukon First Nations Wildfire crew conducted prevention and mitigation work around Whitehorse. The crew was deployed to flooding incidents in Teslin, Ross River, and Carmacks, and worked alongside Wildland Fire Management and imported crews on wildfires in Carmacks, Pelly Crossing, and Mayo. Wildland Fire Management and Yukon First Nations Wildfire have a three-year agreement to provide a 20-person unit crew. This agreement is a reflection of the positive working relationship between the Wildland Fire Management branch and their First Nation partners. It provides certainty for both the Yukon government and the Yukon First Nations Wildfire for guaranteed work, unit crew availability, structure around the services provided, and commitments for training and continuous improvement. This agreement provides guaranteed work each season, for which the Yukon First Nations Wildfire unit crew conducts community resiliency-type projects, FireSmart fuel breaks, thinning, and other projects.

I am requesting an increase of \$400,000 in the supplementary budget for First Nation FireSmart projects. This funding will come from the federal Emergency Management Assistance Program. It is 100-percent recoverable from Crown-Indigenous Relations and Northern Affairs Canada and Northern Affairs Canada's Emergency Management Assistance program. This funding is specifically for First Nations to use for wildfire hazard reduction projects.

I also want to talk about emergency measures organizations and flood costs. This supplementary budget includes \$3.8 million for our Emergency Measures

Organization team leading the 2022 flood recovery task force. This funding will provide for continued recovery costs for the remainder of this fiscal year. We are using this funding to address the emergency response and clean-up costs from 2021 and 2022 flooding events.

In 2022, the Yukon experienced record-setting snowpack across all watershed basins, creating a persistent and widespread high risk of freshet, summer lake flooding, and high groundwater tables. The Emergency Coordination Centre was activated from June 9 to July 15, 2022, in response to widespread flooding and critical infrastructure impacts across the territory. Unlike previous years, flooding happened in a number of areas in the territory. This provided additional challenges for a coordinated response and responders to support 13 communities. Two sand bag machines purchased by Yukon government were used non-stop across the territory through June and July. The machines were deployed in Upper Liard, Ross River, Teslin, Carmacks, Lake Laberge, and Tagish. In all, 113 government personnel, 286,000 sand bags, and 6,350 super bags were deployed to support communities and protect infrastructure during this year's flood response.

The Emergency Measures Organization continues to work on recovery efforts, with a focus on demobilization, financial recovery, community resilience, flood mapping, and long-term mitigation strategies. We are grateful for the support we receive from First Nation, federal, and municipal governments, local advisory councils and contractors, as well as from residents, their friends, and neighbours for their collective response to this challenging 2022 flood season.

I'll complete my remarks there and open it up for questions on these items from the opposition.

Mr. Dixon: I appreciate the opportunity to ask questions of the minister today in Committee of the Whole, and I appreciate the attendance of officials from the Department of Community Services as well. It probably will come as no surprise to the minister that we are particularly interested in the recent decision and announcement to pull out of hosting the Canada Winter Games in 2027. I was hoping that, now that we are out of the bright lights of Question Period, we can have a little bit more of an exchange and a little bit more information provided.

So, I would like to start by going back to when the bid evaluation committee visited Whitehorse. Can the minister tell us if he met with the bid evaluation committee when they visited Whitehorse, and what sort of feedback they provided to Yukon about our bid at that time?

Hon. Mr. Mostyn: Yes, the bid committee did come up. I did have conversations, both in the morning before coming into the Legislative Assembly offices, and in the evening shortly thereafter, for a few minutes, once we were out of the House that day, because, of course, we are sitting. I had brief conversations with members of the bid committee. They, of course, expressed their appreciation for us having them up here, and, of course, as well, said that they loved the territory and were looking forward to seeing the town.

The main concern they had, that was brought to my attention, was the ability for the territory to provide the athletes'

village, and we said that we were working on that, and we were more than happy to do housing. That was really the main focus of the bid committee, at the time.

Mr. Dixon: Did the bid evaluation committee provide any written feedback to either the department, the government, or the bid committee themselves?

Hon. Mr. Mostyn: I have not received any correspondence from the Canada Games committee. I am not aware of any that was sent to the bid committee itself — the department as well. I will look into that. I haven't personally had any correspondence from them. We submitted our bid, and they were in the process of assessing that bid. They actually extended the deadlines for that assessment, because they knew we were waiting for confirmation of support from Ottawa.

Mr. Dixon: I appreciate the minister's answer, but quite frankly, it seems unlikely that the bid evaluation committee would provide some verbal comments to the minister, and perhaps the big committee, and not provide written feedback to the Yukon about the bid.

Can the minister just confirm this: Did his department — perhaps the director of sports or the infrastructure branch — receive any formal correspondence from the bid evaluation committee about Yukon's bid?

Hon. Mr. Mostyn: We, of course, received correspondence from the Canada Games committee about their coming site visit. The Sport and Recreation branch, of course, is in contact with the Canada Games committee, I imagine, on a regular basis. I am not party to that correspondence from this office, but we have not received any formal response to our bid package from the Canada Games committee from this time, according to the department.

Mr. Dixon: So, I just want to be clear about this because the minister just made a fairly definitive point. He said that the department did not receive any formal response from the bid evaluation committee about the Yukon's bid following the visit to Yukon.

Hon. Mr. Mostyn: The bid committee had a deadline to provide a response to our bid package by December 8, and up to today's date, we had not heard anything formally from the Canada Games Council on the bid that we submitted to that council.

Mr. Dixon: I appreciate the response from the minister and I will take him at his word there.

So, we hosted the committee here. They evaluated our bid. Based on that bid, we put together some financial costs, and the minister has said publicly, earlier this week, that he wrote the federal government with a request for funding for this. Can the minister tell us on what date he sent that letter to the federal government requesting funding?

Hon. Mr. Mostyn: I am going to correct the member opposite. I don't think that his version of what has happened is correct. For 18 months — we struck a bid committee, led by Piers McDonald. It has people familiar with the Canada Games, it has representatives of the Yukon government, and it has representatives from the City of Whitehorse. For 18 months, they worked to pull together the bid for the Canada Games.

That committee took the criteria that the Canada Games Council places on jurisdictions that are hosting the games. They have stipulations about the facilities and the types of facilities that they need to host the games, so the bid committee looked at what we had. They then looked at what we needed. They went back and forth with the Canada Games Council. The Canada Games Council requires five ice sheets, for example, and we have three. The Canada Games Council said that we could have four — we needed four ice sheets. So, we then worked with our partner, co-sponsor of the games, the City of Whitehorse, on that facility — that ice rink. We looked at our options. We looked at the existing facilities and how they could be fixed. We eventually came up with a plan for that. We then got initial estimates and refined that plan further. We went back to the City of Whitehorse and worked with them. The bid committee worked with the City of Whitehorse and worked with the Canada Games criteria. They came up with the final bid package, which we submitted to the Canada Games Council in September.

Alongside that submission of the bid package that we had spent 18 months pulling together, we also submitted a request to the federal government for support for this package. At the time, we let the federal government know that, in these times, it was going to be very difficult for the Yukon government to support the bid for the Canada Games without federal support. We then communicated with the federal government to let them know how difficult it was and encouraged them to please come forward with some sort of commitment for the Yukon government because, given the scope of this project, all governments involved in this project — the federal government, the municipal government, and the Yukon government — really needed to come forward with solid funding for the project.

The City of Whitehorse came forward with \$8 million in capital funding. We waited for the federal government. They gave us a letter in the first week of November that said that they would be providing \$3 million. At that point, the Yukon government had a decision to make and we took our decision.

Mr. Dixon: I appreciate the response from the minister and him correcting the order of events. So, I just wanted to confirm: What was the date that he sent the letter to the federal government requesting funding?

Hon. Mr. Mostyn: I am currently having my officials look up to see when the actual bid package was sent to the Canada Games Council. The letter to Canada was sent to federal ministers on September 9.

Mr. Dixon: I believe that I heard the minister say “September 9”, but I will stand corrected if I misheard him.

On what day did the federal government respond, by way of letter?

Hon. Mr. Mostyn: I received an e-mail from the federal ministers, whom I had written to on September 9, in the first week of November.

Mr. Dixon: Would the minister be willing to share both the September 9 letter and the response from the first week of November with the Legislature?

Hon. Mr. Mostyn: As the member opposite knows, I am more than happy to provide the proper information to the House. I will check to see what is protected by Cabinet and confidences in both governments. Provided I can do so, I will.

Mr. Dixon: I appreciate the minister’s offer to share that information if he is able to do so.

I would like to pick up — in the first week of November, then, because the minister indicated that this is when the federal government notified the territorial government that they would only be providing the amount that he suggested, which was just over \$19 million total and \$3 million for capital. At any point in time, did the minister then go back to the bid committee and ask to look at another option — perhaps a cheaper option — an option that didn’t include the extensive capital infrastructure investment that would be needed for, well, at least \$115-million hockey rink and perhaps a \$60 million-plus athletes’ village?

Hon. Mr. Mostyn: I am sorry, Madam Chair. I would like the member opposite to please clarify the first part of his question. I didn’t hear the introduction to that question. I’m sorry.

Mr. Dixon: My question, put more simply, was: Once the minister learned that the federal government wasn’t going to provide the amount of money that he initially asked for, was there ever a consideration of looking at another option with the bid — a scaled-back option — an option that didn’t include such a remarkably high capital investment in infrastructure? Was there ever consideration of any sort of plan B or other options that could have been considered, rather than simply just cancelling the games altogether?

Hon. Mr. Mostyn: I thank the member opposite for clarifying that question — for repeating it. This old guy is a little bit hard of hearing.

It’s now November 17. I received a letter from Ottawa in the first week of November. We then, as a government, assessed the implications of this, and it has been basically a couple of weeks since we received that letter. I will remind the member opposite that we were co-hosting these games with a partner, and we have been working for 18 months to prepare the bid that we submitted to Ottawa, at a cost of several hundreds of thousands of dollars. It’s a very professional document. The team that put it together did a lot of work refining it and making sure that it was an appropriate bid that met the needs of the citizens of Whitehorse and the Canada Games Council, which has very explicit needs for any jurisdiction that is hosting the games.

So, we spent 18 months putting that bid together, refining and honing it, as I said in Question Period and again this afternoon. Then we made that submission in September. The bid committee has not yet formally responded to that bid package. They extended their deadline to December 8 to do that. In the meantime — as I said, we got the letter in the first week of November from the federal government saying, “We’re going to give you \$3 million.”

I’m sure, as I said before, that it wasn’t an easy decision for the federal government to make because they really have been amazing supporters of the north — certainly of the Yukon. They have made immense and historic investments in our

infrastructure in the north, and this was outside of that. This was another request.

I know that the federal government is a big civil service. I know they worked very, very hard, looking for ways they might be able to help our jurisdiction here with this request. So, I can't imagine it was an easy decision for the federal government, or an easy letter for the federal government to write to this jurisdiction. Since then, it has only been two weeks, and in between that, the Yukon government has been looking at its options and considering how to move forward.

The answer to the member opposite's questions are, no, I don't know what such a scaled-back version would look like, given the stringent controls — requirements — that the Games puts on jurisdictions. We are in a safe-sport era as well, where we have to look after the children who are coming to the territory in specific ways to make sure that they are not put at any risk. That was certainly a theme at our sport ministers' in Niagara recently. To put together a new bid, a plan B, would certainly take some work to assess with our partners — the City of Whitehorse and the Canada Games Council — what that would look like.

Then we, as a jurisdiction, would have to make a decision as to whether or not putting all the work into such a bid was actually worth it to the citizens of the territory, with no legacy infrastructure coming from such a Games. These were all big questions. There are a lot of things at play. It took us 18 months to get the first bid in. To do a scaled-back version that met the requirements of the Canada Games Council, I'm sure, would take quite some work. To be honest, we have not yet had that conversation in any detail with the City of Whitehorse, our co-sponsor.

Mr. Dixon: The minister just trailed off a little at the end, so I just want to make sure I heard him correctly. He said that the government has not had any discussions with the City of Whitehorse about any sort of scaled-back option or plan B. I believe that is what I heard, but I will just ask the minister to clarify.

Hon. Mr. Mostyn: I don't believe that the bid committee has had any substantial meetings on a scaled-back version of the Games with the City of Whitehorse. I certainly have had no formal meeting with mayor and council on the matter. I think that my officials are checking that right now, but the decision was made just recently.

I will say that the City of Whitehorse has been quite adamant about its need for infrastructure in the territory. Part of its co-sponsoring of the Games was that it required having the legacy infrastructure for citizens of Whitehorse. That legacy infrastructure had to go beyond housing, so that was the last official position I had heard from the City of Whitehorse.

Mr. Dixon: The minister mentioned that the Canada Games Council bid evaluation committee — he said something about extending the deadline to December 8. I am just asking if the minister could clarify when it was communicated to the Yukon government that they would extend the deadline. What did that correspondence look like, and did the Canada Games Council ever suggest that the Yukon government, or the Yukon,

in general, should look at another option, such as a plan B, or a scaled-back version?

Hon. Mr. Mostyn: The member opposite, as I recall, was asking about the extension of the deadline for the bid's consideration. Originally, the Canada Games committee would have reviewed and responded to our bid in early November, the first week in November — around November 8, I think it was. Shortly before that date came, the Canada Games Council said that, because your funding — that we haven't heard from the federal government on funding — they were going to extend it to December 8, in order to give us more time to come up with the funding.

When the Canada Games Council was up here, they did float with folks in the Department of Community Services a possible plan B — like you might look at a plan B, which would be something other than the bid you put in there, because they really wanted to support Whitehorse.

We went to the City of Whitehorse with that proposal, and at the time, the City of Whitehorse drew a hard line in the sand, and said that they would no longer be willing to support the co-hosting bid, if we didn't build a rink infrastructure for the City of Whitehorse. That wasn't part of the bid anymore. So, we basically shelved any smaller, scaled-back version at that time, because we weren't willing to host it all by ourselves. We need the support of an experienced institution, like the City of Whitehorse, to do the Games.

Now, I have just been told by my official that, last week, the administration of the City of Whitehorse approached and said that they might be more willing to look at a different option. That happened last week, as I said — like, late last week. We met as a Cabinet and announced the decision to our partners on Monday morning.

As I said, I have not yet explored any scaled-back version with my counterpart at the City of Whitehorse, but that's what went down there. Apparently, the City of Whitehorse is more amenable now to a scaled-back version. I don't know precisely what that looks like, what the costs would be involved with that, or really, what the City of Whitehorse's full plans or offers are on the table, but as I said, as far as the bid that we put before the Canada Games Council, which met the requirements laid out by Canada Games 18 months ago, that bid is still on the table with the Canada Games Council and does not have all three governments' funding support.

Mr. Dixon: So, the minister has said that the city reached out last week about a possible plan B, but despite this, Cabinet met on Monday, and the announcement was made Monday morning that they would be cancelling. Why wouldn't the minister go back to the city to find out more about what they were proposing before cancelling?

Hon. Mr. Mostyn: The bid that the City of Whitehorse, the Yukon government, and the other participants in the bid committee had pulled together was — as I said, it took 18 months to do. It was comprehensive, it met the needs of the community of Whitehorse and the citizens of the Yukon, and the Canada Games Council. That bid is currently still on the table. It requires the funding from the federal government, the territorial government, and the City of Whitehorse. The City of

Whitehorse has committed \$8 million to that project in capital costs. The Yukon government has committed to make up whatever amount the federal government did not provide, provided it was a reasonable offer. The federal government committed to contributing \$3 million, with a total commitment from our other two partner governments in this enterprise of \$11 million. The Yukon government made the fiscally responsible decision not to proceed with the bid that was before the Canada Games Council.

Mr. Dixon: Madam Chair, to allow witnesses to appear, I move that you report progress.

Chair: It has been moved by the Member for Copperbelt North that the Chair report progress.

Motion agreed to

Chair: Pursuant to Committee of the Whole Motion No. 10 adopted earlier today, Committee of the Whole will receive witnesses from Yukon Development Corporation and Yukon Energy Corporation. In order to allow the witnesses to take their places in the Chamber, the Committee will now recess and reconvene at 3:30 p.m.

Recess

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

Appearance of witnesses

Chair: Pursuant to Committee of the Whole Motion No. 10 adopted on this day, Committee of the Whole will now receive witnesses from the Yukon Development Corporation and the Yukon Energy Corporation.

I would ask all members to remember to refer their remarks through the Chair when addressing the witnesses, and I would also ask the witnesses to refer their answers through the Chair when they are responding to the members of the Committee.

Witnesses introduced

Hon. Mr. Streicker: It is my pleasure to welcome the witnesses from the Yukon Development Corporation and the Yukon Energy Corporation. From your left to right, Madam Chair, is Mike Pemberton, who is the chair of the Yukon Development Corporation. Next to him is Justin Ferbey, the president and chief executive officer of the Yukon Development Corporation; next is Andrew Hall, president and chief executive officer of the Yukon Energy Corporation; and then finally, on our right, is Lesley Cabott, the chair of the Yukon Energy Corporation.

I would also like to acknowledge some guests who we have in the gallery. We have with us today: Don Roberts, Dr. JP Pinard, Rick Griffiths, and Sally Wright. It is always a pleasure to have guests in the gallery.

Yukon Energy and Yukon Development Corporation — these two organizations, along with community and private sector partners, and also partners in government — municipal, First Nation, territorial, provincial, federal governments — are leading the development, funding, and implementation of renewable energy initiatives for the benefit of all Yukoners, and

I think, ultimately, all Canadians. They are doing this while also ensuring that Yukon residents, businesses, and industry have safe, reliable and cost-effective energy to meet their growing needs.

I am looking forward to the questions today from the members opposite, and I welcome the witnesses to this House.

Chair: Would the witnesses like to make brief opening remarks?

Mr. Pemberton: Before I do so, I would like to recognize that today we speak to you on the traditional territory of the Kwanlin Dün and the Ta'an Kwäch'än Council, and that we live, work, and play on all the territories of the First Nations of the Yukon Territory.

Thank you, minister, and thank you, Madam Chair, for the opportunity to provide for the members of the Legislature — with respect to the Yukon Development Corporation. The Yukon Development Corporation is charged with developing and promoting the development of innovative energy systems as well as the economically and environmentally sustainable generation, production, and transmission of energy.

Developing new, sustainable sources of electricity is a fundamental step in meeting the challenges and targets described in the *Our Clean Future* strategy. The Yukon Development Corporation and the Yukon Energy Corporation continue to work 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 and to achieve the territory's ambitious climate change commitments.

Through the independent power production policy, the innovative renewable energy initiative and the Arctic energy fund, we encourage the development of First Nation and community-led renewable energy projects to reduce the use of fossil fuels in generating electricity across the territory. This requires an inclusive, collaborative approach, and Yukon Development Corporation is actively working with all levels of government, as well as the utilities, to identify and support the renewable energy projects that best address the Yukon's unique energy context.

The Yukon Development Corporation also continues to monitor impacts on electrical ratepayers. We are pleased to be able to respond quickly to the recent impacts of inflation on Yukoners, working with the utilities to implement the inflation relief rebate.

Thank you again for the opportunity to speak on Yukon Development Corporation's behalf, and I will turn the floor over to the representatives from the Yukon Energy Corporation.

Ms. Cabott: Thank you for the opportunity to be here today to share information with Members of the Legislative Assembly about ways Yukon Energy is building the clean energy future that Yukoners have told us they want.

In January 2020, Yukon Energy released the biggest, boldest and most visionary plan that we have ever put together — our 10-year renewable electricity plan.

In it, we outlined our commitments: to help Yukoners and governments across the Yukon and Canada to combat climate change by focusing on the development of renewable and

dependable sources of electricity to meet the growing demands of power here in our territory; second, to work collaboratively and in a good way, in the right way, with First Nation governments across the Yukon and British Columbia to supply Yukoners with the same reliable and cost-effective electricity we have today, while also exploring and advancing new sources of clean energy that all Yukoners will need in the future; and lastly, to limit, to the best of our ability, the impact of the investments that we need to make in our electricity system on Yukoners by working fiercely with our project partners to obtain local and national grant funding for projects in the 10-year plan.

Just less than three years later, I am pleased to report that Yukon Energy has made noticeable progress in fulfilling these commitments. Whether it be the electricity purchase agreement that we have signed with Tlingit Homeland Energy Limited Partnership earlier this year or the agreements that we signed with five other independent power producers across the Yukon, we are finding new ways of increasing the supply. We are embracing new ways of working with the Yukon First Nations.

Yukon Energy Corporation recognizes and acknowledges and expresses our sincerest thanks to First Nation governments in the Yukon and British Columbia —

Chair: Order.

Mr. Dixon: It sounds like the witnesses may have some more opening remarks, so I will let them finish.

Ms. Cabott: Thank you. I just wanted to recognize that Yukon's electricity system is one of the cleanest in Canada. Over the last 25 years, an average of more than 95 percent of the electricity generated by Yukon Energy has come from renewable resources. All the while, electricity customers in Yukon continue to enjoy the lowest electricity rates across Canada's north. These advancements have been made possible by the hard work and dedication of the Yukon Energy staff and board members in recent years, as well as our collective collaboration with First Nation governments and the development corporations.

I want to thank you, Madam Chair, and that concludes my opening remarks today.

Mr. Dixon: I thank the witnesses for those opening remarks, and I appreciate their presence here today. We have a fairly short amount of time and a long list of items to get through, so I hope that the witnesses will appreciate my brevity. We will launch right into it. We will obviously be covering a range of projects that are before the corporation right now. Obviously, there has been a lot of recent interest in the Atlin project, the EPA, and YUB's response to that EPA. Of course, we're also interested in other renewable projects throughout the territory, including the battery project, Moon Lake, what the Energy Corporation has by way of DSM underway, and a range of other things. So, I will jump right into it, Madam Chair, and begin on the Atlin project.

I think it's probably most useful to start by establishing a baseline of facts so that we're all on the same page. I will start with the budget. The earliest budget estimate that I can find for the project is in the November 25, 2019, *Knight Piesold Hydro Options Report* from the *10-Year Renewable Electricity Plan*

Technical Report. It shows that the budget for the hydroelectric development only is estimated at \$79.7 million. Is that the earliest budget estimate that the witnesses are aware of as well?

Mr. Hall: Madam Chair, there are cost estimates that have been developed over time, both including and excluding transmission. I'm not familiar with the full list of estimates. Work went back to probably the early 2000s on the project. I think the reference point that we would work off would be what was disclosed in the 10-year renewable plan, and those are costs with vintages of 2016 and then 2019.

Mr. Dixon: I appreciate that answer. So, there were earlier cost estimates than the ones I referred to. The ones that I have mentioned are from November 2019, and that pegs the total project, which includes the 69 kV transmission line, at \$120.7 million. Since then, we have heard that project budget change. I believe that, in February 2021, the *Whitehorse Star* reported that it was around \$206 million. I recall that, in October of last year, the president of the YEC told the Legislature that it was approximately \$200 million.

There was an interview with David Carlson from THELP last week, I believe, or in the month of November at least, that the project was \$230 million in March of this year, and then now, where we're at today, the project appears — according to the minister, it's \$315 million, and according to Mr. Carlson, it's \$310 million. Can the witnesses give us a sense of where this project is at right now in terms of total capital cost?

Mr. Hall: The most recent numbers that we have from THELP would be \$310 million.

Mr. Dixon: So, we will use \$310 million as the current total project cost for the hydro project and the transmission line to Jakes Corner.

I will turn now to the sources of funding. As it stands right now, there is funding from the Yukon, BC, the federal government, and the Canada Infrastructure Bank. I will just read what I have, and I will allow the witnesses to correct me if I'm incorrect on any of these figures. My understanding is that: Yukon has contributed \$50 million; British Columbia has contributed \$20 million; the federal government, through three different funds, has contributed \$32.2 million; \$14.1 million from CanNor; \$50 million from the Smart Renewables and Electrification Pathways program; and THELP has borrowed \$80 million from the Canada Infrastructure Bank. Does that seem accurate to the witnesses? By all means, please correct me if I have any of those facts wrong.

Mr. Hall: The total of grants, debt, and equity would be \$254 million. That is the number that we have.

Mr. Dixon: The addition of the numbers that I just listed equals \$246 million, so maybe I will just go one by one to make sure that we are on the same page. Is Yukon's contribution \$50 million?

Mr. Hall: Yes. Correct.

Mr. Dixon: British Columbia's is \$20 million.

Mr. Hall: Correct.

Mr. Dixon: In the federal budget of 2022, by way of press release from the Yukon government, there was an announced contribution of \$32.2 million from the federal

government in our current budget cycle. Does that sound correct from the April 11, 2022, press release?

Mr. Hall: Yes, that is correct. Some of the contributions from the federal family total \$101.1 million.

Mr. Dixon: My understanding from that same press release was that CanNor's contribution was \$14.1 million. Does that sound correct?

Mr. Hall: Madam Chair, there are various ways, I guess, that you can slice and dice the numbers. I can go through them for completeness. The numbers we have are CanNor for \$6 million; NRCan for \$2.9; another fund of NRCan for \$50 million — that's the SREP fund; the appropriation in the federal budget, which is allocated to Environment and Climate Change Canada, is \$32.2 million; and then NRCan and CIRNAC — the off-grid hub diesel hub program — \$10 million; so that total is \$101.1 million.

Mr. Dixon: Can the witness repeat that last total? Sorry, I missed that.

Mr. Hall: The last line item that I referred to is the off-diesel hub program, which I believe is joint between NRCan and CIRNAC, which was \$10 million.

Mr. Dixon: After that, Mr. Hall gave a total of the federal contribution, I believe. Could he provide that again, please?

Mr. Hall: Madam Chair, the total from the federal family is \$101.1 million.

Mr. Dixon: So, \$50 million from Yukon, \$20 million from BC, and \$101.1 million from the feds, plus \$80 million from the Canada Infrastructure Bank brings us to \$251.1 million. Does that sound correct to the witnesses?

Mr. Hall: Yes, that is correct. Then the proponents' equity at \$3.2 million, for a total of \$254.3 million.

Mr. Dixon: With the total project cost of \$310 million, and total confirmed funding of \$254.3 million, that would bring our funding gap to \$55.7 million. Does that sound correct?

Mr. Hall: Correct. I will trust the member opposite with the numbers. Typically, we have rounded that up to \$60 million in the numbers that are being used right now, in terms of a gap to be addressed.

Mr. Dixon: I appreciate that some rounding is allowed here, given the changing scope of the project — or at least the changing budget of the project. So, somewhere between \$55 million and \$60 million is the funding gap.

Can the witnesses give us any indication as to the status of any sort of application to have that gap filled?

Mr. Hall: Yes, we are working actively with all the funding partners — so, that would be the Yukon government, the Government of British Columbia, and the federal government — to look at ways to address sources of funding for the \$60 million. I think there have been positive indications from British Columbia and an active conversation with the federal government — and most recently, as of yesterday, a call with all the funding partners online.

I think there is a real commitment to find those funds, whether it is through whatever program money might be available, or indeed, through additional appropriations in future budgets.

Mr. Dixon: I appreciate the answer there. Do the witnesses have a sense of the time frame within which we would learn whether or not that funding has been secured? "Future budget years" is a nebulous term, so I wonder if the witness could provide a bit more detail.

Mr. Hall: I think the first key milestone that we would be aiming for would be the federal budget of 2023, which would be the end of March or early April of 2023. That budget, obviously, starts getting locked in, in the new year, so that is why there is some urgency around that.

I think that actually works quite well from a timing perspective, because THELP's permitting application in British Columbia is still in process, being under review, and the timing of them getting their permitting would probably be early in the second quarter of 2023. So, getting some funding certainty around that time frame would work well for a start-of-construction date.

Mr. Dixon: I appreciate the witness jumping ahead to the permitting, but I will stick with the order here.

I will talk about the timeline now. The witness has alluded to some of this, but I will just confirm. On November 2, 2022, the minister said, "The information that I have is that the project is on track for 2024."

Does that time frame sound correct to the witnesses?

Mr. Hall: Based on — if they were able to kick off construction in the early second quarter of 2023, the in-service dates would be October 2025.

Mr. Dixon: I appreciate that. So, October 2025, is the current date that we are working with. The reason I ask that is because David Carlson, last week, said to the *Yukon Morning* CBC radio program that the current commercial operation date is 2025, but that if they don't secure the funding by January, that will slip until 2026. Can the witnesses respond to that comment from Mr. Carlson?

Mr. Hall: No, I don't really have a comment on that. I think, as of the call yesterday, they were talking about still the 2025 completion date, as long as they can get some certainty within the federal budget of 2023. It is a very evolving conversation because, for example, the latest word from British Columbia is that there may be a possibility for BC to advance funding quite soon, so it is an evolving issue, in terms of when monies might start flowing and, therefore, when some early construction work might start. Our understanding is that it would be in October 2025, as long as we can get a full funding package in the federal budget.

Mr. Dixon: So, yes, just the quote from November 8, at 8:15 a.m. on CBC's *Yukon Morning*, Mr. Carlson said — and I quote: "The current commercial operation date is 2025. We'll lose that if we don't get funding by, say, January and will slip to 2026." But I appreciate that the witness has a different perspective on that.

So, having established the budget, the funding, and the sense of the timeline, I will turn now to the EPA itself. The Minister of Justice wrote to the YUB, asking them to consider the EPA. Can the witnesses just quickly explain why it is that this particular EPA went to the YUB, and what they were seeking from the YUB?

Mr. Hall: There is an allowance under the *Public Utilities Act* for the Minister of Justice to request either projects, or transactions such as this — EPAs such as this — to be reviewed prior to the project coming into effect. I think, strategically, it's just an opportunity to get some early feedback from the Utilities Board as to what their view on the deal might be. So, I think it would be part of the due diligence process and good practice, when we're talking about a transaction of this materiality for the Yukon.

Mr. Dixon: I appreciate the response from the witness. So, turning now to the EPA itself, when we're considering this document — it's obviously an arrangement between THELP and the buyer of the power, which would be YEC. There are obviously implications for ATCO as well, but what sort of stands out as the key milestones are the conditions precedent and term. I note that the first condition precedent is the interconnection agreement, and that the EPA includes the specification that "... on or before January 31, 2022, the three parties (Seller, Buyer and AEY)..." — which is ATCO — "... will have entered into the Interconnection Agreement." Has the interconnection agreement been established between the three parties?

Mr. Hall: I would say we are 99 percent toward a signed interconnection agreement. There are just a few details to be ironed out.

Mr. Dixon: I appreciate that answer. That's excellent to hear. The next one is the funding plan — so, section 2.1(d)(iii) of the EPA conditions precedent specifies that: "On or before May 31, 2022, Seller will have provided Buyer a detailed funding plan..." — known as the "Funding Plan" — "... setting out Seller's sources of grant funding together with independent third party estimates of Seller's costs to develop Seller's Plant and Buyer-AEY System Upgrade Costs; and ... On or before June 14, 2022, Buyer..." — Yukon Energy — "... will have given Seller notice (based on the Funding Plan) that Buyer is satisfied, acting reasonably, as to the financial viability of Seller's Plant."

Have those two stipulations occurred?

Mr. Hall: Just listening to some of the dates that are being referred to here, there may be an update to the conditions precedent that hasn't been put before the Legislature, and I can certainly make that available, because those dates have all moved out to January 2023. So, I'm just concerned that perhaps the member doesn't have the most recent version of CPs.

Mr. Dixon: This is the copy that was reviewed by the YUB. It's available on Yukon Energy's website, which I printed off this morning. If it's out of date, it's because the copy on Yukon Energy's website is out of date.

I do have a question about the nature of the EPA, and whether it's going to change, and how it's going to change, so I will return to that. Perhaps we can move past the specific dates, and just note some questions about the various aspects.

The witness said, in the case of those two aspects of the conditions precedent, the dates have changed. I will move to the next one, which is the environmental authorizations. That says — and I quote: "Section 2.1(d)(iv) of the EPA Conditions Precedent specifies that, on or before May 31, 2022, Seller will

have received satisfactory terms and conditions for the Clean Energy Development Plan authorizations for Seller's Plant located in British Columbia and for the YESAA Decision Documents for Seller's Plant located in Yukon."

It sounds like that date may have changed as well, but can the witnesses explain the status of the clean energy development plan for the project? In looking at the BC website this morning, I noted that it says that it is delayed, and that there is no timeline for a resubmittal of that. Can we get a sense of where the project is at in terms of environmental authorizations?

Mr. Hall: It's our understanding that the application for the clean energy development plan has been made. We are not experts in the BC process at all, but I think it is a variable timeline. It doesn't have fixed timelines, so it's a bit hard to say exactly when that's going to be received. I think what we have been told is that it would be sort of at the end of Q1 or early Q2 of 2023, but I think there is a lot of active work that THELP is doing with the BC regulators to try to cut that timeline back.

In terms of the Yukon, the permitting for the transmission line — we understand that the next step would be a decision document, but I don't have any information on when that will be forthcoming.

Mr. Dixon: My understanding is that — if I heard correctly — the clean energy development plan authorizations from British Columbia should be available in 2023, and that there is an uncertainty about when the YESAA decision document would come.

I will move on to the TRTFN approval, section 2.1(d)(vi) of the EPA. "Section 2.1(d)(vi) of the EPA Conditions Precedent specifies that, on or before May 31, 2022, Seller will have obtained approval of the EPA by the TRTFN by way of Clan Directive or a Joint Clan Meeting Mandate."

I had seen a clan resolution on the TRTFN's website dated 2020. I am wondering if that is the most recent authorization, and if that authorization meets the conditions of section 2.1(d)(vi) of the conditions precedent.

Mr. Hall: There is a clan mandate No. 3, dated May 29, 2022, which supports, in principle, the project. That is the most recent joint clan mandate, or directive, that TRTFN, we understand, has issued as a government. There is an intent to secure an unconditional support. I would say that the May 29 would be conditional support. There is another step that is still outstanding.

Mr. Dixon: Do the witnesses have any sense of the timeline for that additional step that is still required with regard to the TRTFN's approval?

Mr. Hall: I don't have a specific sense of the timeline. I would note that, in the most recent letter and updates to the conditions precedent dates, the CP date is January 31 for that milestone.

Mr. Dixon: Thanks to the witness for that.

The last one is the Yukon government approval. What is the status of the Yukon government's approval under the conditions precedent?

Mr. Hall: I think that there is still a conversation to be had about whether, in fact, there are any remaining Yukon

government approvals required, but if there is a determination — that is still a future conversation. Just for reference, if we are worried about CP dates, all of the dates, except one, would be January 31. The only date that is beyond that is the CP 2.1(d)(iv), which is the clean energy development plan, and that is a March 31, 2023, CP date.

Mr. Dixon: So, that's a perfect segue to my next question: It's clear that the dates are changing here within the conditions precedent, so can the witnesses just explain how that works? The YUB has reviewed this with certain dates in place. There was obviously a negotiation around these dates, but now, following the YUB's consideration of this EPA, the dates are changing. What does it mean that the initial dates haven't been met, and what happens to the agreement, in terms of the changing that are set out in the conditions precedent?

Mr. Hall: Madam Chair, just to be clear, the agreement only — the whole point of a conditions precedent is that it is a condition that has to be met for the agreement to come into effect. It is completely possible and, in fact, we have done it a couple of times, to change the CP dates. That is legally done quite often. I think they reflect the fact that additional work — and the changes to these dates have reflected two things: the additional work required to secure funding — so, we just talked about work that, if the federal budget of 2023 was the means by which we secure more funding, that timing fits well with these most recent CP dates that I mentioned. The other thing is the British Columbia permitting — the timeline of that had slipped out, and so, it was appropriate to change that date for the clean energy development plan to March 31.

So, you know, if you look at agreements like this, changing CP dates to reflect changes in timelines is quite normal.

Mr. Dixon: I appreciate that the changing CP dates may be a normal course of business, but the one that, of course, stands out to most people is the funding plan, and the fact that the funding plan is required to be in place and approved by the purchaser of the power prior to the legal authority of this EPA taking effect. At present, we are aware that there is a \$55- to \$60-million funding gap, with an uncertain budgetary future, and where we find ourselves looking askance at the federal government's budget for next year to determine whether or not this agreement will take effect.

My next question is about what that means for the timing of the agreement and the term of the agreement. The dates of the term are set out pretty clearly. When this gets delayed, as it has over the last little while, does the 40-year term maintain and just go further, or does the termination date stay the same, and then this just becomes a shorter agreement?

Mr. Hall: I am just going to — I believe that it is 40 years from the in-service date, so any delays that are experienced prior to the in-service date don't affect the 40-year term — subject to check. I have the agreement here; I just can't find the term section.

Mr. Dixon: I appreciate that the witness may take some time to find that; it's not urgent, though.

My next question, though — it's referenced in the EPA — the possibility of cost overruns. Now, we have seen the cost of this project escalate dramatically in the last year. Even just

since last year, we have seen an increase from somewhere in the range of low \$200 million to low \$300 million — that's a fairly considerable increase, and, we know that there is a delay, yet, still, ahead of us with regards to the possible construction until what sounds like, possibly, the second quarter next year. So, we have the possibility of even further increases. THELP has been clear in the media, at least, that they aren't putting in any more money. They have said that — Mr. Carlson, at least, said — and I quote from that same media interview earlier: “Notionally, we've raised about \$254 million for the project. That's both debt and grant.” He then notes that: “If it doesn't come in as grants, the project simply just can't proceed. We've taken the most debt we can, that I feel comfortable with. We've invested the most equity that I feel comfortable with... Everything else has to come from grants.”

So, while we may receive \$55 million to \$60 million from the federal government in the next budget, I worry that the project cost could increase even more between now and then. So, can the witnesses either allay my fears, or perhaps explain or respond to those?

Mr. Hall: Sorry, I just got a bit distracted there. Just quickly, the key part of your question — if the member could repeat it.

Mr. Dixon: If there are cost overruns between now and the beginning of construction, who is going to pay for those cost overruns? Because right now, there is a request to the federal government for \$55 million to \$60 million. If the project increases from \$310 million to some other number, then we're looking for more money. Where do those cost overruns get calculated? Who pays for them? How is that going to work?

Mr. Hall: There is a bit of a trick to how to sequence all of these steps that need to occur before construction starts. I think there is a recognition that THELP needs to go out to the contractors and suppliers and get one more updated quotation — and then, to time that with the funding decisions, such that you have a firm cost estimate that is current to line up with funding availability. So, by doing that, you avoid this problem that the members are referring to.

There is definitely a plan, and it was an active topic for discussion with the federal family yesterday — around how and when to do that. We need some visibility on when the funding might be announced, and then THELP will go out and get one more quote, which will lock down the number. There is a bit of an art to getting that 100-percent right to eliminate the risk that has been referred to.

Mr. Dixon: Can the witness explain a bit of that art to me because I am not sure that I understand. Right now, we have put a request into the federal government for \$55 million to \$60 million, based on the \$310-million project cost. There are no shovels in the ground yet. There are not even any estimates, I believe. The witness has indicated that they need to go back to the private sector to seek further quotes.

Who will make up the gap if there is an increase between now and the beginning of construction in the second quarter of 2023?

Mr. Hall: Yes, as Mr. Carlson outlined in that interview, there is some uncertainty about what the funding gap is because

of this issue that has been referred to, so it's a conversation with the funding partners — British Columbia, Yukon, and the federal government. It is \$68 million based on what we know today, but there has to be some ability to flex that once they go to market and get an updated quote. This is all very transparent and an open matter for conversation. Nothing has been hidden from the funding partners that THELP would be looking to in order to meet the final number or secure that final amount of funding.

Mr. Dixon: I am certainly not suggesting that it has not been transparent. My point is just that THELP has made it clear that they are not putting in any more money, so then we go back to the funders looking for any additional increases. My concern is that the feds give us another \$60 million, but then, by the time construction begins, it's actually \$350 million, and now we need to come up with another \$40 million. That could then cause further delays in the project by way of either the conditions precedent or the funders and partners in this agreement facing challenges with that. That is my concern, but I think we have exercised it to the greatest degree possible now.

I will move on then — back to the EPA. I will use the EPA just as an opportunity to spring into some other areas because I found, on page 20, the graph that shows the forecast non-industrial peak and dependability capacity, under N-1 capacity planning criteria, particularly interesting.

That lays out what the Yukon Energy Corporation has submitted to the YUB for consideration of this EPA. It is notable for a number of reasons, and it is going to lead me eventually to the YUB report, which I will get to. In this graph, it essentially shows the capacity's shortfall, under N-1, going forward for the next number of years.

So, for the 2022-23 year, the graph shows that there is a capacity shortfall for 2022-23 of about 20,000 kW — let's call it 20 megawatts. That is assuming that, at the best, the battery is contributing 7.2 — assuming that DSM is contributing 4.4.

Before I get into those projects, let me just ask a general question. Either way, the capacity shortfall for the coming years is considerable. What is the plan to fill the capacity shortfall in the short to medium term?

Mr. Hall: I believe that the chart that the member is referring to is from Yukon Energy's application to the YUB for the EPA review, but it is essentially the same chart as figure 17 in the 10-year renewable plan, which shows the capacity gap. I think that the strategy — which is very clearly outlined in the 10-year renewable plan, and we have actioned on that every year — is to rent temporary diesel engines to fill that gap. So, we have rented, over the past couple of years, rental diesels, and last year and again this winter, we will be renting, effectively, 27 megawatts of capacity to fill that gap.

Mr. Dixon: So, according to the chart, the witness is correct. It is indeed the same chart from the 10-year plan, but the one that I am looking at right now is from the EPA on page 20. It shows a capacity shortfall going forward — a considerable shortfall — until 2028, and that is the point at which Moon Lake comes on. We can return to Moon Lake after, but for the next six years, is it correct to assume that we will be

renting somewhere in the neighbourhood of the number of rental diesels that we are using right now, or more?

Mr. Hall: It is correct that we will be renting until we are able to secure a significant new capacity source, which in the 10-year plan was identified as Moon Lake. The number of rentals that we require changes every year, depending on what resources are either retiring or coming onstream. It actually drops in the 2024-25 time frame and then starts growing again.

I would point out that on the load, at the peak forecast side, there is obviously uncertainty. This is based on certain assumptions of Yukoners adopting electrification to heat their homes and purchasing electric vehicles. We made assumptions based on both the electric vehicle targets that were articulated in *Our Clean Future*, and also some independent work that we did on electric vehicle adoption rates in markets.

The short answer is that the number of rentals changes through time, and you need flexibility. We do have flexibility through the rental approach to adjust the number that we rent every year accordingly.

Mr. Dixon: In the response before the one that the witness just gave, he used an important term and that was "temporary". The intent, of course, is that these rental diesels are temporary; however, I note that on page 11 of the Yukon Utilities Board's report, considering the EPA —

Well, throughout the report, the Yukon Utilities Board is quite critical of Yukon Energy Corporation's decision-making around the renting of diesels. The first section that I will point to is the quote on page 11, which reads — and I quote: "However, YEC has been renting diesels since 2016 and expects to be renting diesels past 2030. Renting for at least 14 years is not a short-term event or solution. YEC has not shown the rentals to be a least-cost solution on a short-term or long-term basis. Although these costs were accepted in the 2021 GRA, YEC will need to show the least cost thermal alternative of rentals versus permanent thermal at the time of its next GRA or risk finding that those diesel rental costs were imprudently incurred."

I would be interested to hear what the witness's response to that section of the Yukon Utilities Board report is.

Mr. Hall: I think, on this topic, we beg to differ with the Yukon Utilities Board's analysis. In our view, we have provided, on several occasions, pretty compelling economic evidence that shows that diesel rentals are indeed cheaper on a levelized cost of capacity basis than a permanent diesel plant.

The Yukon Utilities Board clearly has taken an alternate view, but we have done the math, and by our estimates, the levelized cost of capacity of rentals is \$210 per kilowatt year, and a permanent diesel plant would be \$253 per kilowatt year.

The numbers that we presented paint a compelling picture. We don't quite understand why the YUB chooses not to believe that analysis.

Mr. Dixon: I would note that the YUB doesn't just find the costs a concern; they also note that, in YEC's own submissions, the reliability of the rental diesels is in considerable question.

Can the witnesses comment on the relative reliability of the rentals that we are currently using?

Mr. Hall: Yes, from a reliability perspective, they are not as good as a permanent plant.

I'm searching for the reliability stats. I think, in terms of availability of the fleet through the last winter, it was above 90 percent. We rent two spares specifically to accommodate that availability number, so we built in contingency planning to accommodate what is lower reliability. We planned in the expectation that they wouldn't be quite as reliable as a permanent diesel plant.

Mr. Dixon: So, further in the YUB's report, they also note that they initially agreed with the idea of using rented diesels. In fact, on page 39 — and I will quote again: "Although the Board agreed with the rental of diesel-generation units on an urgent short-term basis for YEC's 2021 GRA, the evidence of YEC in this proceeding is that the diesel rentals are not a good solution and that the need for additional capacity is for more than the near term. The Board does not accept that YEC provided sufficient evaluation or investigated the permanent diesel-generating unit alternative."

Again, is this just another case of — does the YUB just have a fundamental disagreement with the YEC about this?

Mr. Hall: Madam Chair, yes, I would say that our view differs from the YUB's in this respect. I believe that our board of directors made a very specific decision in its commitment to delivering on the commitments in *Our Clean Future* not to pursue a permanent diesel plant because the investment in such would not be able to attract any federal funding of any form, and it just wasn't consistent in terms of a commitment of ultimately striving for 97-percent renewable on our grid. So, the decision to pursue temporary diesel rentals as an interim strategy was very deliberate on our part.

Mr. Dixon: I appreciate, then, that the YEC simply has a different view than the YUB, and that is fair enough.

Can the witnesses give us a sense of how much time, effort, money, and resources went into the YUB hearing — of the EPA? I know that these are very formal proceedings. There are lawyers, there is testimony — it is certainly a costly endeavour, I'm sure. Does the YEC have any sense of costs associated with the YUB hearing on this?

Mr. Hall: No, I don't have a number offhand. We can certainly return with that number.

Mr. Dixon: So, I guess that my next question is: If everything goes right, as planned, how long will we be renting diesels?

Mr. Hall: It is difficult to say, because to predict exactly how long a resource like Moon Lake would take to develop is not a certain process. It involves a number of steps and stages, and a lot of that is contingent on permitting and engagement with First Nations. I think that the 10-year renewable plan showed that they have been — I believe, 2028-29. It is possible that it slips out a year or two, given where we are today — but a bit hard to say in absolute terms.

Mr. Dixon: I think that it is certainly possible that the Moon Lake project slips out a few years, as the witness says. I would hazard to guess that it may even slip by more than one or two years, but I will return to that when we get to the Moon Lake project.

I would like to return to the debate between renting versus owning. In 2018, the YEC released some public consultation material about this very question. I would like to read from that. This is the "what we heard" summary report from 2019, which is, of course, when the Yukon Energy Corporation was considering a permanent facility and undertaking public consultation. The introduction of that document reads, in speaking about a permanent facility — and I quote: "It would also provide a dependable and affordable way to meet peak demands for power that intermittent renewables like wind and solar cannot. It would also serve as a more permanent solution to our current practice of renting additional diesel generators each winter." Has the view of the YEC changed since that, or does it still think that this is a valid comment to make?

Mr. Hall: I think that, in my prior response, I explained the rationale for why, as a corporation, led by a board, made a deliberate decision not to pursue a permanent diesel plant — and that was subsequent to that public engagement, I would point out.

Mr. Dixon: So, in that public engagement, the YEC received questions from the public and provided a formal response to each and every one of them. There are dozens, perhaps hundreds, of those. One of the common questions was about buying versus renting, or owning versus renting, and this was the response from the YEC at the time — and I'll quote YEC's formal response to that question: "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 in 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."

Does the YEC find anything wrong or incorrect with that statement?

Ms. Cabott: I would like to respond on behalf of the Yukon Energy board. So, as Mr. Hall pointed out, we looked at a number of inputs into our decisions, including risks and opportunities — opportunities including federal financing or assistance for renewable projects. We looked at opportunities with partners and collaboration, and we also heard from Yukoners that Yukoners wanted and preferred renewable options. So, getting us to renewable options means we were not comfortable in investing millions of dollars into a permanent facility, and so that was the deliberate decision of the board.

Mr. Dixon: So, in the YUB's response to the EPA, they note that the investment in a permanent facility is not mutually exclusive with renewables; in fact, it's complementary, and, in order to allow for renewables to be invested in the way that the Energy Corporation plans, having a permanent backup — a permanent support of fossil fuels — would allow that investment to occur in a smooth way. But I think we'll probably just continue to disagree on that one, so I will move on, because my time is limited.

I would like to move on now to the battery project. Can the witnesses provide the status of the project? What is the current budget and what is the current timeline for coming online?

Mr. Hall: The current status of the project is that we've completed the initial sitework; the installation of the foundations was completed just this month. That will conclude the sitework for this year, and we will proceed, once the ground clears in the spring of next year. We've signed a contract with SunGrid energy systems — which is the chosen supplier. It's an EPC contract for the full scope — a fixed-price contract. So, the current estimate for in-service date would be September of 2023, and the budget is \$35 million.

Mr. Dixon: So, in a ministerial statement on November 24 of last year, the Minister of Energy, Mines and Resources noted that Canada was investing in this project through the Investing in Canada infrastructure program, the green infrastructure stream, and the total amount of federal investment was \$16.5 million. Does that remain the case? Is federal investment in this project \$16.5 million?

Mr. Hall: The amount of federal funding hasn't changed.

Mr. Dixon: Can the witnesses remind me of the total project cost, currently?

Mr. Hall: It's \$35 million.

Mr. Dixon: So, where is the balance coming from?

Mr. Hall: The balance will be funded through debt and equity, as Yukon Energy funds all of its capital expenditures that do not receive government grant funding.

Mr. Dixon: Can the witness be a little more specific about what is debt and what is equity in that amount?

Mr. Hall: So, as a regulated utility, one of the things that is regulated for us is our debts to equity, our capital structure of the business, which is 60 percent debt and 40 percent equity. So, any capital expenditures that we make are funded through debt and equity. That's the only way you can do it, other than getting grant funding from a government.

So, debt is money you borrow, and equity either comes from retained earnings net income, or it can only come from the shareholder.

Mr. Dixon: Has the Yukon government not contributed to this project at all?

Mr. Hall: The ICIP funds that we received — the \$16.5 million — I think I would have to go back and revert with an answer around if there was a 75-25 split between the feds and the Yukon government. I believe there was, but I would want to confirm that.

Mr. Dixon: In that same ministerial statement, the minister stated that — and I quote: "Currently, the battery project remains on target for completion by the end of 2022."

I believe that the witness noted a new timeline, but could he repeat the estimated timeline of completion?

Mr. Hall: The current estimated completion is September 2023. I would note that, on October 17, Minister Streicker said that the in-service date for the battery would be the fall of 2023, so there has been an update to the ministerial statement.

Mr. Dixon: I would like to ask about the diesel replacements that are currently planned. I note in the graph that I referred to earlier that the diesel replacements are going to bring on 12.5 megawatts of capacity. The graph I referred to is on page 20 of the EPA, but it's also the same chart from the 10-year energy plan. It suggests that those would be online and available in 2023-24. Can I have an update on that project, please?

Mr. Hall: We have contracted for the full 12.5 megawatts of replacement diesels. Just to be clear, these replace diesel generators that have either already retired or are due to retire. That would be five megawatts in Faro, five in Whitehorse, and 2.5 in Dawson.

The in-service dates are staggered, so Faro is scheduled for late 2023 — so, the fourth quarter of 2023 — and Whitehorse and Dawson, the summer of 2024.

Mr. Dixon: Can the witness explain why the decision was made to own these diesel assets, as opposed to renting them?

Mr. Hall: Because these replace existing capacity that we had already. One of the principles in the 10-year renewable plan is that we didn't want to take a step back, in terms of the existing diesel that we had in our fleet. I think that we were comfortable in investing to maintain the existing fleet, but to rent for incremental future growth.

Mr. Dixon: So, it's okay to own these diesels, but other diesels, probably not okay, even though we will be renting diesels, it looks like, well into the 2030s.

In the chart I referred to, as well, it accounts for significant gains as a result of DSM. Can the witnesses give us a sense of what we are anticipating for the efforts around DSM to account for with regard to our supply?

Mr. Hall: Yes, just to give an update on where we are on DSM, we're looking forward to next year launching an updated DSM suite of programs. They will be focused on solutions that help reduce the peak. In other words, they help address our capacity shortfall. So, programs like the Peak Smart program, which we ran on a trial basis over the last couple of winters, which allowed homeowners to essentially avoid their peak consumption by preheating their home or hot water tanks, would be the kind of program that we're referring to. That will be launched in 2023.

Madam Chair, I don't have the numbers with me offhand. I think that, over time, they contributed up to the five-megawatt range, in terms of avoided capacity, but I could be wrong by a megawatt or two there.

Mr. Dixon: Just for clarity, the chart that the Energy Corporation submitted contemplates 6.6 available through DSM, starting in 2023-24. Do we have a sense of the cost of that DSM program? Will there be a cost to the Energy Corporation as a result of it?

Mr. Hall: There are a couple of points on cost. It's an ongoing investment, so what we invest in is the cost to run the program to promote it, and then to offer whatever incentives we would to homeowners, either in terms of offering them an incentive on the hardware, or indeed, an ongoing rebate to participate.

So, if you participate in a future Peak Smart program, you get X dollars off your bill — I am just using that as an example of how our costs would accrue. Right now, our costs are roughly in the million dollars a year range, but I can't say what that looks like in the future, because it is driven by your uptake, in terms of number of customers, because it is a per-customer cost at the end of the day. Those costs would be included in future-generated applications, but I think that the principle here is that DSM is a cost-effective source of capacity and, therefore, subject to the order-in-council that has now been issued to the YUB around DSM, and our view would be that those economics would justify and provide evidence of prudence, in terms of the costs that would be incurred.

Mr. Dixon: So, the reason I asked about the amount of energy that it will provide is just because it is quite a jump from this year to 6.6 and more beyond. Can the witness give a little bit more sense of how — of what sort of measures we can expect — because, as it stands right now, it looks like we get about 2.2 from DSM and we are jumping to 6.6. That is a considerable jump, and I am just wondering what sort of measures we might anticipate to help make up that difference between the current amount, which is 2.2, and the anticipated amount for 2023-24, which is 6.6?

Mr. Hall: Yes, I mean, I think that the analysis that we are all focusing on — this capacity gap analysis — is something that we update every year, based on what we are seeing, and there is variability, both on the load side, in terms of what the peak is looking like, and also, on what exact resources we have available, including how much DSM is delivering. So, we update that analysis every year, and take it into account in determining the exact number of rentals that we need. For example, in doing our calculation for next year, we adjusted the contributions from DSM accordingly.

Obviously, given that we are only launching that program next year, I think that the ramp rate, in terms of uptake, would probably be slower than what we presented in 2019, and we will adjust accordingly, but I would point out that, in terms of the number of homeowners who we were able to sign up for the Peak Smart program — over 200 homes — it was very encouraging, in terms of Yukoners' appetite to sign up for these kinds of programs. I think that we can take great heart that, given the right incentives and folks' personal choices, that we will be successful in rolling these programs out.

Mr. Dixon: So, the witness has noted that 200 households had signed up. How many more households will we need to sign up to get to that amount they are forecasting?

Mr. Hall: Madam Chair, I don't have that number with me right now. There will be a range of programs, so a Peak Smart-style program will be just one. Another one that will be coming would be smart home charging for electric vehicles — so, looking at level 2 chargers that are able to communicate with our control room such that we can change when somebody, during the night, actually charges their vehicle, and there will be an incentive for folks to participate. So, you will have a number of programs that will layer on top of each other, and they will each have their own households that will sign up, and sometimes it won't be the same household. You have to

kind of look at how many subscribers there would be for each program, but I don't have those numbers with me today.

Mr. Dixon: I will move on to the next project, which is the Moon Lake project. Can the witnesses give us an update on the Moon Lake project? As I understand it, according to the chart that I referenced earlier, it's set to come online — providing what looks to be 35 megawatts coming online — in 2028-29. Can we get an update from the witnesses on the Moon Lake project?

Mr. Hall: Yes, the strategy that we have adopted overall is to work very closely in collaboration with the affected First Nations. So, that would be the Carcross/Tagish First Nation and the Taku River Tlingit First Nation. Moon Lake itself, we understand, is on overlapping traditional territory in British Columbia — though the definition of how overlaps are treated is somewhat different in BC than how they have been handled in Yukon.

I think that active participation by the First Nations, up to and including First Nation ownership along the lines of the Atlin project, is all open for conversation at this time. So, to set that project up for success requires a lot of work at the front end to make sure that we have a good framework in place with the First Nations around the project ownership and how to move forward. So, I would say that this is where we are now. Part of it involves Yukon government, in terms of, I would say, government-to-government engagement with the Carcross/Tagish First Nation, which there has been a lot of progress on, which we have seen reflected in really getting CTFN as a supporter for the Atlin project. That was through some great work and support by Yukon government — Aboriginal Relations and others.

So, right now, the work is focused — Moon Lake — on putting together, I would say, a project structure where we can apply for the grant funding, which we know is available. The federal government, in the 2021 budget, announced \$40 million for hydro planning in the north, and the Yukon's piece of that has been notionally earmarked to support Moon Lake, so that would be \$10 million. We are ready to make an application. We just need to make sure that we are on common ground with the First Nations in terms of ownership. So, that's where we are.

I would say overall that it's a little slower than we planned, but, to be honest, when you work with First Nations, it's very hard to forecast, sometimes, in terms of how long it takes. That's the reality that we live with, but I think, given some recent developments with the CTFN, we are in a better place with TRT to move forward and start the planning work in 2023.

Mr. Dixon: What's the current estimated project cost?

Mr. Hall: We have done no further work on project cost estimates. What I have just described didn't include any updated engineering work, so we just haven't done any work to update numbers that might have been produced in the 10-year plan.

Mr. Dixon: So, there is no estimate at all of a project cost for this?

Mr. Hall: The most recent estimate that we would have would be what's available in the 10-year renewable plan.

Mr. Dixon: Can the witness tell us what's available in the 10-year plan?

Mr. Hall: If the question is "What was the cost estimate in the 10-year plan?" — I will look in table 3. Cost estimates — I think that \$300 million would probably be the number that I would go to. It's quite possible that this number has increased, but we wouldn't have an updated number.

Mr. Dixon: So, based on the current estimate, it's cheaper than the Atlin project, which seems a bit unlikely.

I am approaching the end of my time, so I guess I will conclude with the broader question. We are, at present, relying on rented diesel generators to fill our capacity shortfall. The only path forward off of those is some combination of the Atlin project and Moon Lake. As we have seen and as we have noticed, there can be slippage in the times of these projects. With Moon Lake, the current projection in the YEC's documents is for 2028-29. I think that we're all aware that this is not going to happen. It's going to be at least 2030, or perhaps longer, before we can anticipate that.

My concern is that there really isn't any other option, other than renting for the foreseeable future. Am I incorrect in that? If there are any project delays with Moon Lake, do we have something else lined up that's going to allow us to get off rented diesels, or are we just going to be renting diesels indefinitely?

Mr. Hall: Madam Chair, I think what the member opposite is referring to is: What is plan B? I think that is a valid question. The 10-year renewable plan presented a proposed set of projects, which focused on the battery and focused on the thermal replacement. It is the projects we have talked about already — Atlin. Just to execute on those projects alone is a huge amount of work. It is stretching the utility dramatically in terms of the amount of work involved. It's hard work at times.

There are other projects in the plan that we looked at, but those would be greenfield projects that would start from absolutely ground zero. So, are we working on anything else actively today? No, but I would say that there is a conversation about — is it time to start looking at plan B? Is it time to update the resource plan and take a look at what other options there might be?

I would just point out that the idea of pursuing multiple projects in parallel, and then somehow dropping one later on, sounds great, but that would be extremely difficult to execute for the simple fact that you would be working with a First Nation somewhere on another project with the potential that, at some point, you go back to them and say, "Yes, sorry, we're not going to go ahead with your project." That would be a really tough proposition. To secure social licence on multiple projects, knowing full well that one of them isn't going to get chosen — I think that is something that the Yukon has never undertaken.

I think, to come back to the question, looking at plan B is a worthwhile activity and something that the utility would likely start next year in consultation with the shareholder, Yukon Development Corporation, et cetera.

Mr. Dixon: Did the witnesses say that it will start next year? Is that what he just said?

Mr. Hall: I think that it would be appropriate for us to start looking at it next year. We have an evolving environment in terms of what growth the mining sector is looking at. It's appropriate that we redo resource planning exercises from time to time. What that looks like, I can't really say. Will it be a full-blown resource plan that costs a million bucks? I don't know, because they are big exercises if you involve full, comprehensive, widespread consultation.

But I think that, in terms of re-looking at load forecasts and supply options would be an activity that we could certainly kick off next year, and it might well be appropriate timing.

Mr. Dixon: I certainly agree with that assessment from the witness.

The final few questions that I have — obviously, the witnesses are aware that there is new legislation in the territory with regard to climate change targets. Does the corporation feel that, given our current trajectory of the projects that we have in our plan, YEC and YDC will be able to contribute to meeting those targets?

Mr. Hall: Yes. The whole genesis of the 10-year renewable plan was to develop a plan that would deliver on the objectives and the goals in *Our Clean Future*, which, to be clear, are 93-percent, long-term average renewable on the grid, with an aspirational target of 97 percent. There is a chart in the 10-year plan — which I am struggling to find — that actually shows that, with the execution of those projects, the rolling average — it's actually figure 24 — is maintained above that 93-percent target.

Mr. Dixon: A review was recently completed of the IPP. I was wondering if the witness can comment on that review and whether any changes are in the works as a result of the review of the IPP.

Mr. Hall: Yes, there was a comprehensive review taken with full involvement from us, from ATCO, and from Yukon government's Energy branch. I think there was some — it involved interviews with both us, as the utilities, the customers, and with the proponents. I think that there were some good learnings on both sides, in terms of process improvements that we could look at to improve and streamline the process that we undertake. So, we have started to implement those improvements already. I think that there was also some good learning on the IPP side, in terms of what the requirements are to connect to an electrical system in a safe and reliable manner. So, I think that there was a set of recommendations, which I believe have been made public, in the final report that we are now actioning on.

Mr. Dixon: That is it for me. I will pass the floor on to my colleague from the NDP. I would just like to thank the witnesses for their time today. I appreciate the candour and the opportunity to ask these important questions, and I look forward to seeing them again.

Ms. White: Thank you, Madam Chair, and I welcome the witnesses.

It is interesting sitting here — I believe that we all come at these conversations with our own perceptions and our own biases, and our own experiences. I would say that, a number of years ago, when there was a different president of the Yukon

Energy Corporation, they were being grilled by my colleague — the Member for Mayo-Tatchun at the time — about the decision to move toward liquefied natural gas, and why that decision was made, and how come the future that the Yukon Energy Corporation, at the time, was focusing on was one of fossil fuels.

I actually would like to change the conversation right now, and I actually want to go back and talk about the important changes that we have had in our plans, in our directions, and how come — although, right now, sometimes the numbers may seem very high — the focus in changing toward renewables is really critical. I can say that I went to many of the public open houses, including one where I saw the president — where I was advocating that we should not purchase new diesel generators, because tying us to that asset for more than a generation meant that we were giving up. So, I want to say here — and say in support — that I firmly believe that any new thermal generation should only be rented, because I fundamentally believe that we can hit our target.

So, I just want to start the conversation with that, so that we know where I would like to go right now. I would like to change the tone, actually. I think that there is — I appreciate that, when we talk about the 10-year plan, there is that focus on what the Energy Corporation was looking toward, but I think that there are also other opportunities, and so, I know right now wind is being worked on, on Mount Sumanik, and I just wanted to have a bit of a conversation about that.

So, again, I'll just reference the back-in-the-day Energy Corporation, which is not the same Energy Corporation now, but at that time, it actually suppressed the wind study that said Mount Sumanik could actually generate a fair amount for us. So, I just wanted to know what kind of conversations, or what kind of relationship, is being built right now with the current project that is, I believe, underway up on Haeckel Hill?

Mr. Hall: Yes, I think what is being referred to here is the independent power producer project up on Haeckel Hill, which is — we're hopeful to sign an EPA, I would say, over the next quarter or so. I can't say exactly when they will be in a position to sign. I think that project is looking quite hopeful and, in fact, they have started construction. So, they have even started to put foundations in place ahead of actually signing the deal.

I understand that their funding — the package is fully secured. So, they are financed and ready to go. The line upgrades have already been made by ATCO. So, it's an ATCO line that goes up to the top of Haeckel Hill, and we're working on our system upgrades on the YEC side of the system to accommodate that project.

Ms. White: I thank the witness for that. Can he share with us what the expected capacity of that project is, and how many turbines — I feel really fortunate that, in the last decade, some of the learnings I have had is the difference, for example, wind — once you start, it can almost be like plug-and-play. You can add additional turbines. I think if we look toward another project, I would say the Bear Mountain wind farm is 103 megawatts, in the Peace River Valley, and that is, I would say, aspirational, the fact being that it was started by a group of

concerned citizens and then sold there. So, if the witness could share just what the capacity is — planned for — how many turbines that looks like, and we'll just start there.

Mr. Hall: I don't have the exact numbers with me. It's two projects — I believe four megawatts total. In terms of number of turbines, I don't have that number with me, I'm afraid.

Ms. White: That's okay, it was mostly out of interest. When I was in grade 8, I actually did a science fair project on wind, and I got to meet the good doctor at the time who put up the original wind turbine, so I felt really lucky about that.

That's an example of an asset that will be really great for winter. We know that we do have a lot of winter wind, as opposed to, for example, summer sun, and that actually ties in really well with a project that Yukon Conservation Society is doing right now with their electric thermal storage project. One of the reasons, over years, that I did some learning on electric thermal storage, or ETS systems, was their capacity to be direct batteries. Sometimes what we hear about wind is that wind is hard to manage, because you have to be able to use it or store it when it's generated.

Can the witness share with me maybe what kind of relationship exists with Yukon Conservation Society around their ETS pilot project?

Mr. Hall: Yes, we are certainly interested in the findings of that project. I think that there is an opportunity for ETS to be included in our DSM portfolio going forward. I think that smart heating devices may well be — I don't want to say for sure — part of the portfolio, and some kind of subsidy to support ETS adoption would certainly make sense, but I can't say for sure whether it's going to make the grade or not in terms of the benefit it may have on an avoided capacity basis, versus other solutions that exist.

Ms. White: I thank the witness for that. It's interesting, in recent times, I installed an air-source heat pump in 2016, long before we had the fantastic 30-percent rebate up to \$8,500, but over time, we've seen that they have proven to be a useful piece of technology, as far as using electricity direct for heat. The real beauty that I have been taught about ETS over time is that you can set the system so that it loads during the off-peak hours. So, looking at recent records and knowing that we are not hitting the fossil-fuel backup between, let's say, 11:00 p.m. and 3:00 a.m., it's a good time to load the ETS.

I hope that when we talk about demand-side management, or maybe when the witnesses are having conversations with the minister about what next subsidy or grant programs should exist for heating, that we do talk about ETS systems in a real and meaningful way, because I do think that is an opportunity.

The witness mentioned Peak Smart before, and the future. I do think it's important to mention that Peak Smart — the program initially went with home water heaters, and I read about baseboard heaters. I do think it was successful. It was just unfortunate timing at that aspect.

What I wanted to know, as well, is kind of when we look at the future, so not having that crystal ball, but when we look toward, for example, Sumanik coming online — if we get the peak program going, if the ETS proves to be useful — when

the witnesses look at that electricity mix, or that generation mix, where do they see there being some opportunity for growth? By “growth”, I don’t mean generation growth; I mean savings growth. When we look at all those combinations into the future, are there good things coming?

Mr. Hall: I think it is the early days of — I mean, we haven’t even started this new DSM program. It will be launched next year. I think it is a little bit about seeing how it goes. When we talk about building that avoided capacity benefit up to around the six-megawatt range, that’s uncharted territory for the Yukon. We have not done that before. So, I don’t want to get too optimistic about it until we see that demonstrated adoption. The Peak Smart was interesting, in terms of how quickly it filled up, with 200-plus homeowners, but we don’t know what adoption looks like beyond that.

Ultimately, we are going to need adoption beyond just 200 homes. There are lots of studies on what adoption curves look like for new technology, and you get your early adopters, then the job becomes a little harder, right?

Let’s just see in a few years how we are doing before we look to expand and roll out more and more. I think we know what those programs are, but it’s a lot about customer behaviour, so it’s a different kind of business for us. You are relying on the customer to be a willing partner. We have good indication of that, but we don’t know with certainty.

Ms. White: Although I appreciate the answer, I live in optimism. Again, seven years ago, I was having conversations about why we were moving toward LNG as opposed to renewable, and I have been through lots of plans, so I appreciate the witness being a little bit more cautious, but I am fully optimistic that, with the right education campaign, we can get people onside.

I wanted to ask a bit about — it is actually quite interesting. Social media is sometimes really handy, but there was a question that someone had put out, saying that if, like me, you have been wondering why Yukon Energy Corporation is using what seems like too little hydro and too much thermal generation these days — and they have a bit of an answer. But I thought I would actually ask directly right now. I was just online and I was looking at the usage in the last day, last seven days, last week. I agree that it seems that we are using — especially with the water so high right now — a lot more thermal than I would anticipate.

Is there a reason for that right now?

Mr. Hall: Yes, there is a reason. We have had some maintenance work on two of our hydro units that is still underway, through to November. So, that would be a 10-year overhaul of our Aishihik No. 2 turbine and a project to replace the head gates on Whitehorse No. 1, so those two hydro units have been out of service. That really is why we have had to run thermal — to make up that difference.

Also, we had that cold snap a couple of weeks back, which was unusual for November to get down to — I think that it was almost mid-minus 20s, which is certainly not typical at this time of year. That would have been the reason why we saw that thermal being burned. There was, if I might add, an outage in our Mayo hydro plant. It is back up and running now. So, two

maintenance projects and one unplanned outage account for the thermal.

Ms. White: I thank the witness for that.

Just seeing that maintenance expected to be done in November, when did the maintenance on both of those assets — Aishihik No. 2 and Whitehorse No. 1 — start?

Mr. Hall: They would have started in the summertime. They are fairly long projects — a 10-year overhaul. You take the whole turbine apart and send various components off to get re-machined and, in many cases, replaced. I don’t have the exact dates, but they would have started during the summer.

Ms. White: That is a fantastic answer because one of the speculations from social media was: Why didn’t it start in the summer if we are in the winter now? I think that clearly communicating with folks that it did start at the right time and that it’s on its way — and I think that’s good news.

So, last year, we saw a lot of flooding in the Southern Lakes and we have seen water levels that seem unseasonably high right now, so where do the witnesses anticipate that the water level will be in spring? I mean, at this point in time, they have lots of information, they have control of the M’Clintock dam — so where are we with the Southern Lakes?

Mr. Hall: Certainly, this year — if you go back to the root cause, we had higher snowpack from the past winter. It wasn’t as high as the prior year, but there were still way above average snowpack conditions. That snow all melts and hits the reservoir, and water levels increased — again, not as high as last year, but higher than would be normal, for sure. Then we had an unusual event in the fall here where we had a couple of rain events and then some pretty warm weather, which would have extended the period that the glaciers would have been melting. The lake did something that I don’t believe it has ever done — where it actually changed course and started increasing again.

Fortunately, toward the second week of October, it started dropping. So, right now, I’m just looking at the chart; it’s only sitting about 10 centimetres higher than it would have been at the same time last year. So it has come down quite nicely, and it’s to a point that it has reached that full supply level where we can start holding back water to conserve for the winter. I think we’re well set up.

The flip side of high water is that your gas tank is full — if I want to use a fossil fuel analogy. We have lots of water in the system to allow us to generate strongly through the winter. Our plan would be to pull it down to low supply again. That’s always the goal with the Whitehorse system — to use all the water that’s available and to pull it down so that, by the May time frame, we are down at low supply.

Ms. White: The Southern Lakes enhancement project has been a conversation that has been circulating since before my time of getting elected in 2011 and is still going on. I note that on the website, it talks about the Southern Lakes enhancement and it talks about how the corporation was going toward the YESAA process. Then it has a fall 2022 update, which said that the project is currently on hold while Yukon Energy Corporation engages Carcross/Tagish First Nation,

Kwanlin Dün First Nation, and Ta'an Kwäch'än Council on the re-licensing of the Whitehorse hydro facility.

Can the witnesses give us an update on where we are at in the Southern Lakes enhancement project and the next steps there?

Mr. Hall: As we enter the Whitehorse re-licensing project planning, it became obvious to us that to advance both the Southern Lakes enhanced storage project and the re-licensing as independent exercises really wasn't going to work. They were going to converge, if nothing else, in front of YESAA, and YESAA usually looks to combine projects when they look very similar.

So, we made a decision going into the re-licensing project to include enhanced storage as an option for discussion and consideration with the project partners, which would be the affected First Nations and Yukon government — also actively involved.

That has been a topic of active conversations with the First Nations over the last six months to nine months — whether to include the enhanced storage in the project scope of re-licensing. We are just about to go out to the public for some engagement on the re-licensing, so there will be an open house that we will be advertising quite shortly in early December. It came to a head where we need to be clear with the public about whether enhanced storage is included in the project or not. There has been a very recent decision by the project team — so that would be us and the First Nations, jointly — to actually remove enhanced storage from the re-licensing scope, so it won't be part of the project.

Ms. White: Just on that last bit, if the Southern Lakes enhancement project won't be part of that next licensing scope, does that mean that the Southern Lakes enhancement project is on pause for the time being?

Mr. Hall: Yes, so that's the second part of the decision. I'm still working through with our board what to do with the project costs for that.

I think it's clear that if it's not part of the licence, there may be some ability of a time to — through the monitoring and adaptive management plan — revisit elements of it, particularly the low-storage aspect, because low storage is one of the tools that we have applied for as emergency licences in flood years, as a mitigation. You pull the lake down that extra 10 centimetres, just to create more room for the meltwater that you know is coming.

But I would say that the agreement with First Nations is that we would only look at that in the context of a long-term monitoring plan that would be taking years to unfold. So, our decision is really a financial one at this point about: What do we do about those historic costs that we have invested in — in enhanced storage studies? Some of those studies are relevant to the re-licensing, so we may be able to include those costs as part of re-licensing, but there is a financial piece that has yet to be worked out.

Ms. White: I thank the witnesses for that. I'm just having conversations right now with folks in the Southern Lakes, especially in the M'Clintock area. They have had concerns about high water and how that affects groundwater,

and that treed areas have been flooded out for the first time ever and that, even currently, people are still pumping down water. So, it's an interesting one because I think what we saw last year — it was referred to as the "100-year flood" but, fortunately, the last one was in 2007, and then we saw the water again this year. So, people have concerns about what that means.

If I remember correctly — were the gates removed from the M'Clintock dam this summer?

Mr. Hall: I believe what is being referred to here is the Lewes control structure gates, which basically are a means by which — in the fall, we close the gates to start holding back water. Then, in the spring — actually, under our current water licence — between May 15 and August 15, all gates have to be opened. So, during that period, the system is basically uncontrolled. There are no gates altering flow. We actually opened gates two months earlier this year, similar to what we did the prior year. This year, it was as of March 21 that we opened gates, and that was because we knew that the water was coming. We knew the snowpack was high, so it's an early mitigation step. It's one of the levers that we have to try to mitigate water-level increases that we knew were coming.

Ms. White: I thank the witness for that clarification. Indeed, the Lewes dam is the one I was referring to, so I do appreciate that there were advanced steps taken there.

When we talk about communication and we talk about people's interest, I would say that the number of energy enthusiasts continues to grow, and I think that is actually a really important thing as people learn, for example, how to make energy retrofits to their homes, or they are learning about electric cars, or different things. Lots of those folks follow the work of the Yukon Energy Corporation with great interest. They have often remarked that the information provided on the Yukon Energy Corporation current consumption diagram does not really paint a complete picture of our production, so people have reached out and are saying that what they would really like is for YEC to be able to isolate each facility — for example, what Mayo B, Aishihik, diesel versus the LNG plant, is producing at any given time, as opposed to just having the renewable and thermal graph. Is it possible for the YEC to break down what each plant is generating at any given time?

Mr. Hall: Yes, it's certainly possible. We can look at adding some more granularity to those charts. There would be no hiding of information.

Ms. White: I do appreciate that. Again, this is coming from a base of people who are really keen on trying to do their part, and they are trying to figure out how to better manage their own energy use, and they are curious about what gets generated where and how. To be honest, based on the first hour and a half of today's conversation on the floor, I think it could be really beneficial also for those of us in these chairs to better understand. I hope that is something we can see in the future.

The last point I will make right now is, I'm just looking to the witnesses to — I don't know if there are any wrap-up comments that they would like to make, or any thoughts they would want to share, or questions they wish had been asked that weren't. I think this would be a great time to hear from them on those issues.

Mr. Hall: Madam Chair, I didn't have anything specifically prepared. I think I would say that there was a meeting of the world in Sharm el-Sheikh in Egypt over the last couple of weeks. The conclusion, I believe, is that we are not doing enough to try to keep the temperature increases from climate change to 1.5 degrees, which was the target.

So, if anything, the challenge is more acute than ever, and so, what YEC does is part of the puzzle in the Yukon — our GHG-emission profile goes beyond what we do — but I think that we are committed to supporting electrification efforts, which are a key part of the puzzle, in terms of space heating and transportation, and our plan supports that, in terms of, if we are able to execute the projects that are in the plan, we will meet the targets of *Our Clean Future*, in terms of renewable energy.

The reality is always challenging, so you know, inevitably, things take longer, and they can cost more. Those are just realities of the energy business, and we work diligently every day to try to avoid that, but inevitably, the world doesn't quite unfold the way you would like, but I think we have made great progress, and certainly, by this time next year, we are going to have one of the biggest batteries in Canada, and that is through the vision of a whole bunch of people to attract the federal money and identify what storage can do for us, in an isolated grid in the north. So, it is just an example of Yukoners coming together to really lead, in terms of the application of technology in our energy landscape.

The role of First Nations is critical — both as partners, owners, and supporters of what we do, but again, that road is never linear — it is full of lots of twists and turns, and it takes time, and so, that is part of the reason why getting grilled on project timelines — it is a complicated business, and sometimes more time is necessary to get the right deals with the right people.

Chair: Are there any further questions for the witnesses?

Hon. Mr. Streicker: Thank you, Madam Chair.

Earlier today, when the Member for Copperbelt North stood and talked about early prices for the Atlin project, he referenced a number — \$120.7 million. I just wonder if I could ask the witnesses to clarify, from the 10-year renewable plan, what the prices were for Atlin that are published there.

Mr. Hall: Yes, there are two places to look for that answer. One would be table 3 in the 10-year plan, which notes a cost of Atlin in 2019 dollars of \$131 million. But then, I would also refer to a comment on page 46 of the report, that said that further work has indicated that additional costs of the Atlin-to-Jakes Corner transmission must be considered as part of the Atlin expansion project, adding approximately \$50 million. By my math, \$131 million plus \$50 million is \$181 million, so I think that is the number we should look at in the 10-year plan, as the reference point as of 2019.

Hon. Mr. Streicker: Not to get into too fine a detail, but I know that the Member for Copperbelt North tabled something from the back end of the report. I had followed up with the Energy Corporation to ask about that number, which I think is the one that he is referring to. If the witnesses are able to comment on that and what that number is referring to, that would help.

Mr. Hall: Yes, it is all buried in the weeds of the appendices to the 10-year plan. The difference lies in the inclusion of engineering and contingency in the numbers, so it's explained further on in that appendix that, when you add engineering and contingency, that's where you get the \$131 million for the costs, excluding transmission.

Hon. Mr. Streicker: If I can just ask one more question about all of this: Part of what my recollection is, is that the scope of the project changed as well to be slightly larger, as it was moving along, and to provide more winter energy — if the witnesses could comment on that.

Mr. Hall: Yes, so, if you look at table 3 in the 10-year plan, the project contemplated at that time was six megawatts installed in Atlin. The current design is for nine megawatts in Atlin. So, you've had — what is that — a 30-percent increase in installed capacity, which would be one of the contributors to increased costs of the project.

Chair: Are there any further questions for the witnesses?

Chair's statement

Chair: I must note for the House that one of the witnesses, Ms. Cabott, has left, contrary to Motion No. 10.

Hon. Mr. Streicker: For Hansard and for Yukoners, we were lucky to get the chair of the board of the Yukon Energy Corporation, because she was intending to travel today, and she extended her travel as much as she could in order to get here for the first part, and it was meant as no disrespect to this Assembly.

I would just like to thank the witnesses for appearing here today. It is always good to hear from all political parties, their range of questions, and I thank the witnesses for their thorough responses. It is much appreciated. I am sure we will have more conversations when we get to the supplementary budget and the appropriation for the Yukon Development Corporation.

My thanks to the witnesses.

Witnesses excused

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

Chair: It has been moved by the Member for Mount Lorne-Southern Lakes that the Speaker do now resume the Chair.

Motion agreed to

Speaker resumes the Chair

Speaker: I will now call the House to order.

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

Chair's report

Ms. Blake: Committee of the Whole has considered Bill No. 206, entitled *Second Appropriation Act 2022-23*, and directed me to report progress.

Also, pursuant to Committee of the Whole Motion No. 10 adopted earlier today, witnesses appeared before Committee of the Whole to answer questions regarding the operations of the

Yukon Development Corporation and the Yukon Energy Corporation.

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

Are you agreed?

Some Hon. Members: Agreed.

Speaker: I declare the report carried.

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

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

Motion agreed to

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

The House adjourned at 5:25 p.m.

Written notice was given of the following motion respecting committee reports November 17, 2022:

Motion Respecting Committee Reports No. 4

Re: concurrence in the *Sixth Report of the Standing Committee on Rules, Elections and Privileges* (Mostyn)