

Yukon Chamber of Commerce Energy Committee

Statement to the Yukon Legislative Assembly's Select Committee Regarding the Risks and Benefits of Hydraulic Fracturing

October 9, 2013 at 1 pm – 1:45 pm

Attending: Darielle Talarico Past Chair Yukon Chamber of Commerce (YCC), Chair of YCC Energy Committee, Ron Daub Energy Committee Member, and Peter Turner President of YCC

Introductions:

Thank you for providing the Yukon Chamber of Commerce Energy Committee an opportunity to address you today.

Yukon Chamber of Commerce (YCC) represents the interests of all Yukon business and takes a "Yukon wide" view regarding policy matters that affect the business community. The YCC board includes both business and community chamber representatives from the Watson Lake Chamber of Commerce, Whitehorse Chamber of Commerce, Dawson City Chamber of Commerce, Silver Trail Chamber and Tourism Association and other community chambers when they are active. YCC established an energy committee, along with a transportation, and revenue committee in 2013.

The mandate of the energy committee is to represent the interests of the business community with regards to its energy needs (affordable, reliable) and as such works to communicate these needs in a manner that they are reflected in government policy. As well, the committee represents businesses that specialize in energy production and distribution.

Remarks to the Select Committee:

Economic wellbeing of the Yukon – benefits of a multi-sector economy

- YCC supports businesses in all sectors of the economy including: oil and gas, mineral, tourism, arts and culture, knowledge, and technology.
- YCC believes we need to have a diversified economy in order to have healthy business community.
- YCC Energy Committee plans to address policy issues that are affecting business development (electrical, transportation, heating) and policy issues (legislation/regulation, IPP, Net Metering, Carbon).

- Yukon has producing gas wells connected to Westcoast pipelines system (South East Yukon) and there has been over fifty years of oil and gas exploration in northern Yukon around Eagle Plain.

Legislative / assessment / regulatory framework stability for investment

- Business needs a stable and clear legislative, assessment and regulatory environment to work within. The rules need to be identified and remain reasonably constant so business can build a case for investment in the Yukon. This is particularly critical for the oil and gas sector which is small and developing.
- Business has also expressed concern regarding the capacity, ability and expertise within government regulatory and assessment agencies to review oil and gas proposals. If this expertise and experience is missing, businesses face additional costs (time delays and increased workloads).

Land use values need to be acknowledged

- Land use planning is one way to identify land values and resolve conflicting land uses. The present land use planning process is not as effective as it could be nor is it acting in a timely manner to fulfill this need. Business would like to work with First Nations and Yukon Government to improve the UFA driven land use process so all stakeholders and sectors of the economy can have more certainty.
- The North Yukon Land Use Plan is completed and the areas that can be explored and potentially developed for oil and gas resources have been identified. One company is in the process of doing work in this area and is working through YOGA, YESAB, and the government licensing process. We encourage the committee to speak to this company about its work and progress to date.

Oil and gas industry and hydraulic fracturing – facts clarification

- Yukon lacks an oil and gas association and as a result there has been little industry led information shared with the Yukon public. The Yukon Chamber of Commerce is seeking oil and gas industry associations to come to the Yukon to speak on behalf of the oil and gas industry. To date the Canadian Society of Unconventional Resources has confirmed for late October.
- The Yukon Chamber Energy Committee recognizes that both the business community and the public need help to understand how Yukon Oil and Gas legislation and regulations work to protect the safety of people and the

environment. An analysis of our legislative framework in comparison to other Canadian jurisdictions would be helpful. Along with more public education processes.

Conditions for ensuring benefits out weigh risks of hydraulic fracturing.

Statements to the committee

The Yukon Chamber Energy Committee recognizes there are various types of businesses in the Yukon with different interests. The following are ideas the energy committee is discussing that support an oil and gas industry while respecting other business interests.

Yukon Chamber Energy Committee:

- Recognizes that many Canadians benefit from low cost natural gas to heat their businesses and homes. Yukoners are to date disadvantaged by not having this option. Access to this lower cost fuel would benefit small to large businesses and is presently the option of choice for many of our future mining ventures.
- Recognizes the oil and gas industry will also bring benefits to all Yukoners in the form of jobs, revenues and taxes for Federal, Yukon and all First Nation governments.
- Requests that Yukon Government show and educate the public on how oil and natural gas can be produced in the Yukon under these conditions:
 - 1) Completed land use plans or resolve land use values i.e. tourism industry;
 - 2) Completed YESAB reviews that are timely and supported by reviewers with related expertise including oil and gas industry expertise;
 - 3) Meaningful consultation has occurred with affected First Nations and communities;
 - 4) Effort is made to retain the services of local businesses including First Nation businesses for projects;
 - 5) Licensing and regulations are on par with other provincial jurisdictions who have experience with this industry practice; and
 - 6) A supply of natural gas for Yukon businesses and homes is made available.

- Please indicate how you will complete your review in a timely manner with an end date not later than March 2014.
- Please indicate how you plan on engaging Yukon public in your review so they too can be educated about the risks and benefits of hydraulic fracturing. Factual information needs to be made available to Yukoners to ensure a well-informed public dialogue.

References:

John Foran, Energy Sector, NRCAN presentation called: Canadian Unconventional Oil & Gas UGOS 2013. June 5, 2013

At a later date, the committee the committee will also submit names of other experts that could bring value.