LEGISLATIVE RETURN

SUBMITTED BY: Hon. Mr. Pillai, Minister responsible for the Yukon Development Corporation and the Yukon Energy Corporation

1. On October 13, 2020, Mr. Hassard, Leader of the Official Opposition

   ☒ asked the following question during the Oral Question Period
   at page(s) 1356-1357 of *Hansard*

   ☐ submitted the following written question – WQ No. ____

   ☐ gave notice of the following motion for the production of papers – MPP No. ____

   RE: Diesel Energy generation costs

OR

2. This legislative return relates to a matter outstanding from discussion with
   (Member) _____ on _____ related to:

   Bill No. _____ ☐ Second Reading ☐ Third Reading

   ☐ Committee of the Whole: _____

   Motion No. _____ RE: _____

   at page(s) _____ of *Hansard.*

The response is as follows:

Please see document attached.

Oct 28/20
Date

Signature

Cost of diesel generator rentals for 2017/18, 2018/19, 2019/20 and 2020/21:

During the winter of 2017, Yukon Energy rented four 2-megawatt portable diesel generators for four months to ensure capacity to meet Yukoners' electricity needs under emergency conditions. The total cost of this rental was approximately $700,000, which includes the cost of renting the units, including transporting them to and from Yukon Energy. Fuel costs for the rentals was insignificant as these units were run very little in the winter of 2017/18. These units were located at the Yukon Energy office parking lot in Whitehorse.

During the winter of 2018, Yukon Energy rented six portable diesel generators with a total capacity of 10.8 megawatts. The total cost of this rental was approximately $1.72 million. Of the total cost: renting the diesel units, including transporting them to and from Yukon Energy cost approximately $1.2 million; setting up the units cost approximately $300,000; and fuel costs were about $220,000. These units were located at the Yukon Energy office parking lot in Whitehorse.

During the winter of 2019, Yukon Energy rented nine portable diesel generators with a total capacity of 16.2 megawatts. The total cost of this rental was approximately $4.37 million. Of the total cost: renting the diesel units, including transporting them to and from Yukon Energy and set up cost approximately $2.4 million; and fuel costs were about $1.9 million. These units were located at the Yukon Energy office parking lot in Whitehorse.

This year, Yukon Energy will rent 17 units rented at a cost of about $4.1 million. This cost includes the cost to rent the units, transporting them to and from each site and commissioning. Fuel for the rental units in Whitehorse and Faro this winter is also expected to cost an additional $450,000. Configuring the Faro site to accept the installation of rental units will also cost about an extra $2.1 million. Nine units with a total capacity of 16.2 megawatts will be installed in Whitehorse and one extra unit will remain onsite as back-up. Six units with a total capacity of 10.8 megawatts will be installed in Faro and one extra unit will remain onsite as back-up.

Table 1 Summary of Rental Costs for Diesel Generators

Item	2017/18	2018/19	2019/20	2020/21
# Units (Total Capacity)	4 units (7.2 MW)	6 units (10.8 MW)	9 units (16.2 MW)	17 units (27 MW)
Rental Cost, including transportation to and from Yukon Energy (approximate)	$700,000	$1.2M	$2.0M	$4.1M
Set-up Cost (approximate)	Undetermined at the time of request.	$300,000	$400,000	$2.1M
Fuel Cost (approximate)	Insignificant, generators operated minimally.	$220,000	$1.9M	Estimated to be $450,000
Total Cost (approximate)	$700,000	$1.72M	$4.37M	$6.65M