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Session Briefing Note**Fall 2024****Atlin**Yukon Development
Corporation

Recommended response:

- The Atlin Hydroelectric Expansion Project is not included in the 2024-2025 Budget, as the Proponent works to finalize the following conditions that need to be put in place before the Project is ready to receive government funding.
 - Receipt of all permits and authorizations required for construction
 - Execution of the credit agreement with the Canadian Infrastructure Bank
 - Clear decision in support of the project from Taku River Tlingit First Nation
 - Conclusion of consultation by all governments
 - Securing the full cost of construction.
- Proponent has not yet finalized funding requirements and has not secured the full cost of construction – areas of focus for the Proponent
 - Investment Tax Credits
 - Continue to look for project cost reductions
 - Actively communicating with the Federal Government for additional grant funding
 - The Yukon Development Corporation continues to work with the Government of Canada, the Canadian Infrastructure Bank and the Proponent to identify funding opportunities.
- We remain committed to the Project and when the conditions for funding are met, we stand by ready to invest.
- We congratulate the Proponent and the Taku River Tlingit First Nation for achieving the important milestone of a Joint Clan Resolution in support of the project in July 2024.

Session Briefing Note**Fall 2024****Atlin**Yukon Development
Corporation

Additional response:

- As the largest Indigenous proponent-led energy project that the Yukon has been involved with to date, it is also teaching us many lessons that will be applied as additional projects are advanced to fill the widening renewable energy gap.
- These preconditions for Yukon Development Corporation disbursing the funding to the Proponent, include
 - receipt of all permits and authorizations required for construction,
 - execution of the Credit Agreement with the Canadian Infrastructure Bank,
 - clear decision in support of the Project from Taku River Tlingit First Nation, and
 - the funding is secured to cover the estimated cost of construction.
- We applaud the Proponent and the Taku River First Nation for their efforts to get the Project to this state of readiness and we are committed to strong and enduring partnerships with First Nations proponents, governments, and communities in the energy economy in the Yukon.
- As the Project continues through the development phase, there is continual due diligence being done to ensure that the Project will bring the expected benefits to Yukoners in a manner that advances climate change goals, and is also affordable and reliable.

Session Briefing Note

Fall 2024

Atlin

Yukon Development
Corporation

- The Proponent estimates that there remains a funding gap of between \$80-95 million, depending on the interest rate to be charged on the loan from the Canadian Infrastructure Bank.

Context—this may be an issue because:

- There has been extensive media coverage of the Project, and the Opposition has raised the Project regularly in the Legislature.
- Budget 2024-2025 does not identify specific funds for the Project, which is a change from Budget 2023-2024.

Background:

- The Proponent (Taku Homeland Energy Limited Partnership) plans to expand the existing Atlin hydro facility by leveraging the water storage capability of Surprise Lake and connect to the Yukon grid with a 69 kV transmission line from the power plant in Atlin, BC to Jakes Corner in the Yukon. The line will follow the Atlin Highway right-of-way for the majority of the route.
- The Atlin Hydroelectric Expansion Project has been repriced by the Proponent.
- The total cost of the project based on 75% design for generation and construction ready design for the transmission line as of February 2024, is between \$267 million and \$324 million.
- Cost distribution can be considered 75% to generation, 15% to transmission and substations, and 10% to interconnection with YEC/ATCO.
- As outlined in Table 1 below, the total cost of the project will be influenced by the level of contingency required and the interest rate used in the Canadian Infrastructure Bank credit agreement.

Table 1: 2024 Repricing Results (\$ millions)

Construction Costs	\$267	
Contingency	\$42	

Prepared for Minister Streicker
Yukon Development Corporation

Date prepared: September 3, 2024
Last updated: September 25, 2024

Session Briefing Note

Fall 2024

Atlin

Yukon Development Corporation

Max. Required for Construction (CIB interest rate 1%)		\$309
Interest Rate Sensitivity (Cost per incremental 1%)	\$15	
Max. Required for Construction (CIB interest rate 2%)		\$324

- There is currently \$226.4 million notionally committed from the Government of Canada, Yukon government, Canadian Infrastructure Bank, and Taku River Tlingit First Nation equity.
- Between \$80 million and \$95 million is required to close the funding gap, depending on the interest rate used in the CIB credit agreement.

Session Briefing Note

Fall 2024

Atlin

Yukon Development Corporation

Table 2: Sources and Uses of Funding to March 31, 2024 (\$ millions)

		Allocated	Spent	Available
NRCan	Smart Renewable Electrification Pathways	\$50	\$5	\$45
NRCan	Clean Energy for Rural and Remote Communities	\$6.1	\$2.9	\$3.2
ECCC	Low Carbon Economy Fund	\$32.2	-	\$32.2
CANNOR	IDEANorth	\$6	\$6	-
CIRNAC		\$6.8	\$6.8	-
	Canada Total	\$101.1	\$20.7	\$80.4
YG		\$50	\$2	\$48
BC		\$20	\$2	\$18
CIB	Loan	Up to \$80	-	Up to \$80
THELP	Equity	\$3.2	\$3.2	-
	All Funders Total	\$254.3	\$27.9	\$226.4

Table 3: Project costs over time (\$ millions)

Budget Year	Interest Rate	Completion	Project Cost	Funding Gap
2021/22	1%	2024	\$204	\$0*
2022/23	1%	2025	\$254	\$0*
2023/24	3%	2026	\$360	\$106
2024/25	2%	2027	\$324	\$82.5-97.5

*The project had notionally filled the full funding gap in 2022/23. Costs associated with delay in receiving funding, inflation of construction costs as a result of the Covid-19 pandemic, changes in interest rates, no new funding, and less favourable foreign exchange rates resulted in the emergence of a funding gap.

Session Briefing Note

Fall 2024

Atlin

Yukon Development
Corporation

- YDC has provided the Proponent with \$2 million in 2023/2024 to support advancing geotechnical and engineering design of the transmission line.
- Prior to the Transfer Payment Agreement expiring, a TPA Amendment was agreed to that expands the permitting-related expenses that could be supported through the TPA. The Proponent expended the full \$2 million and YDC has received all required reporting.

Approved by:



President, Yukon Development Corporation

September 25, 2024

Date approved

Session Briefing Note**Fall 2024****Battery**Yukon Development
CorporationYukon Energy
Corporation

Recommended response:

- Construction for the battery is expected to be completed by Q1 2025 and come into service following an implementation phase.
- The new grid-scale battery is a critical investment in Yukon Energy's ability to meet growing demands for electricity in the Yukon as well as to safely integrate renewables.
- There will be 20 megawatts of batteries installed in the containers.
- The total project budget is approximately \$35 million, of which \$16.5 million is being provided by Yukon Development Corporation through the Investing in Canada Infrastructure Program.

Additional response

- The project is also an excellent example of how Yukon Energy is working with First Nations governments to displace diesel and secure Yukon's clean energy future.
- It will assist in providing grid stability as more variable sources of energy, like wind and solar, are integrated into the grid.
- Yukon Energy recognizes that an additional grid scale battery to support load growth will need to be added to the system in the near future. Planning for this work will begin soon.

Additional responses:About the change in cost and size of the project

Session Briefing Note**Fall 2024****Battery**Yukon Development
CorporationYukon Energy
Corporation

- The maximum power output of the battery will be reduced by approximately ten percent because of system losses between the battery location and the point of connection with the grid.

About ratepayer impact

- The Yukon Utilities Board reviewed the battery project ahead of construction.
- The battery is not included in Yukon Energy's 2023/24 General Rate Application due to movement in the project's timeline and when Yukon Energy can reduce the number of rental diesel generators.

About the delay in timeline

- While good progress has been made on the battery project so far, there has been a delay in the project's timeline.
- Batteries are becoming increasingly popular, which has resulted in an increase in demand and a delay in manufacturing and shipping.
- It is also a result of general supply chain delays that are being seen across Canada.

Lease agreements and contractors

- The battery vendor for the project is SunGrid Solutions.
- The battery is located on Kwanlin Dun First Nations settlement land. The lease agreement with the Kwanlin Dun First Nations is for 25 years.
- The Battery land lease cost \$1.004 million in 2022 for a 25-year term.

Session Briefing Note

Fall 2024

Battery

Yukon Development
Corporation

Yukon Energy
Corporation

Approved by:

Chris Milner
President, Yukon Development Corporation

November 20, 2024
Date approved

Gary Gazankas
President and CEO, Yukon Energy

November 20, 2024
Date approved

Diesel permitting

Yukon Energy Corp

Recommended response:

- On an average of 25 years, more than 90% of the electricity Yukon Energy has generated comes from renewable sources.
- Diesel and Liquified Natural Gas plays a small - but critical - role in the Yukon's electricity mix; keeping Yukoners safe and warm during the winter, emergency events and whenever there aren't enough renewable resources available.
- The diesel generators in Mayo, Faro, Dawson and Whitehorse also help Yukon Energy to keep the lights and the heat on in these communities during maintenance outages, and in case of trouble on the transmission lines that connect these communities to hydro power on the grid.

Additional response:

- Yukon Energy has air emissions permits for each of the diesel and Liquified Natural Gas sites that it owns and operates.
- Permits in Whitehorse, downtown Mayo and downtown Dawson expire at the end of this year and are currently in assessment.
- The Yukon government is aware of concerns raised by a member of the public about Yukon Energy's approach to permitting.

Whitehorse

- Yukon Energy's current Whitehorse air emissions permit is set to expire at the end of 2024.
- On January 12, 2024, the Yukon Environmental and Socio-economic Assessment Board Executive Committee notified Yukon Energy that the project would not be subject to an Executive

Diesel permitting

Yukon Energy Corp

Committee Screening, but rather could proceed through a Designated Office Evaluation.

- Yukon Energy submitted its proposal to the Yukon Environment and Socio-economic Assessment Board in May of 2024.
- Yukon Energy is seeking the same capacity limits (permanent and emergency) as held previously, which is 13.2 megawatts of Liquefied Natural Gas and 28.8 megawatts of diesel.

Mayo

- Yukon Energy has an air emissions permit for 4.9 megawatts of diesel generation near its hydro plant in Mayo and is in the process of additional 4.9MW.
- Yukon Energy has a second air emissions permit for three megawatts of diesel generation in downtown Mayo. This is the permit that is set to expire at the end of this year.
- Yukon Energy submitted a proposal to Yukon Environmental and Socio-economic Assessment Board to renew its permit for its downtown Mayo diesel site in May of 2024.

Dawson

- Yukon Energy is seeking to permit up to 15.5 megawatts of diesel at its Callison substation in Dawson.
- Yukon Energy submitted its proposal to Yukon Environmental and Socio-economic Assessment Board for the diesel generators at Callison in June of 2024.
- Yukon Energy is also seeking to renew its air emissions permit for 7.1 megawatts of diesel at its downtown Dawson diesel site.

Diesel permitting

Yukon Energy Corp

- Yukon Energy submitted its proposal to Yukon Environmental and Socio-economic Assessment Board for the downtown diesel generators in May of 2024.
- Yukon Energy needs both the Callison and downtown diesel generators as demand for electricity in Dawson continues to grow.

Faro

- Yukon Energy's current air emissions permit allows it to generate up to 15.5 megawatts of electricity from the diesel plant in Faro.
- Yukon Energy also has emergency capacity installed for backup purposes. It has not had to use this emergency capacity in Faro since it was installed.
- Recently, the Department of Environment has asked Yukon Energy to permit the emergency capacity at all of its diesel facilities.
- [In response, Yukon Energy submitted a proposal to the Yukon Environmental and Socio-economic Assessment Board in August to permit up to a total of 20.4 megawatts of electricity at the Faro diesel facility.](#)
- Until it receives its amended air emissions permit, Yukon Energy can continue to generate up to 15.5 megawatts of electricity at the Faro plant under its existing permit and would only exceed that permitted capacity if necessary to prevent immediate harm to public welfare, health or safety during an emergency.
- Yukon Energy will be looking to finalize permitting its emergency capacity at its other diesel sites in the coming months.

Context—this may be an issue because:

- The Opposition has raised concerns about the continued reliance on diesel generators.

Diesel permitting

Yukon Energy Corp

- Until there are large baseload renewable energy projects like additional hydro, Yukon will continue to rely on thermal sources.
- The noise from the diesel generators can be disruptive to some that live nearby.
- Greenhouse gas emissions from energy production is anticipated to increase in the short-term, as the gap in demand is being met by thermal sources, including both replacement and rental diesels.

Session Briefing Note

TAB # 3
Fall 2024

Diesel permitting

Yukon Energy Corp

Background

Location	Current permitted capacity	Proposed permitted capacity	Existing permit expiry date	Status
Whitehorse Rapids Generation Station	13.2 MW - LNG 28.8 MW - diesel	13.2 MW – LNG 28.8 MW - diesel	December 31, 2024	Proposal submitted to YESAB May 2024
Faro diesel plant	15.5 MW	20.4 MW (seeking to permit emergency capacity at direction of YG ENV)	December 31, 2031	Proposal submitted to YESAB in August 2024
Callison substation near Dawson	0 MW	15.5 MW	N/A	Proposal submitted to YESAB June 2024
Downtown Dawson diesel plant	7.1 MW	7.1 MW	December 31, 2024	Proposal submitted to YESAB May 2024
Mayo secondary diesel site	4.9 MW	N/A	December 31, 2026	Not seeking to renew permit yet
Mayo downtown diesel plant	3 MW	3 MW	December 31, 2024	Proposal submitted to YESAB May 2024

Session Briefing Note

TAB # 3
Fall 2024

Diesel permitting

Yukon Energy Corp

Approved by:

Chris Milner

October 31, 2024

President and CEO, Yukon Energy

Date approved

Recommended response:

- On average, over 90% of the electricity Yukon Energy generates each year comes from renewable sources.
- Yukon Energy contracted Colliers to conduct an analysis to determine the cost-effectiveness of renting diesel generators over the short and long-term.
- The report found that renting generators remains the most cost-effective option for the next 15 years.
- Yukon Energy recognizes that its rental program is not a perfect solution, however it must maintain a sufficient supply of electricity for Yukoners while other options can be assessed and, if needed, purchased, or constructed.
- While the economics may support renting generators, additional factors like reliability, availability, risks of market increases, emissions, and matching the best engineered solutions for our use and climate must be considered.
- As part of updates to its resource plan, Yukon Energy will continue to evaluate options.

Additional response:

- This winter, Yukon Energy will rent 22 diesel generators:
 - 10 units + 0 spares in Whitehorse
 - 7 units + 0 spares in Faro
 - 4 units + 1 spare in Mayo

- We need thermal resources to keep Yukoners safe—that is, to ensure we have the electricity we need during winter peaks, emergencies and when renewable resources aren't available.
- Securing back-up diesel generation each winter is critical to ensuring the reliability of electricity service.
- Renting diesel generators is not only an interim solution for Yukon Energy, but for other utilities across North America.

Context—this may be an issue because:

- The Opposition has raised concerns about the long-term reliance on rental diesel generators and whether they are leading to increased energy costs passed onto the ratepayer.

Background:

- Yukon Energy estimates the cost to rent diesel generators in 2024/25 will be \$7.3 million, not including fuel costs.
- Yukon Energy continues to rent diesel generators rather than build a permanent thermal plant because:
 - During engagement for its proposed permanent thermal plant, Yukon Energy heard from Yukoners that they were not supportive of the project.
 - Renting diesel generators was the most cost-effective thermal generation option when the permanent plant was being contemplated.
- The number of diesel generators Yukon Energy needs to rent each year is based on its N-1 / emergency capacity planning and modelling, which does not include industrial customers.
- Yukon Energy's approach to modelling is a transparent process that has been reviewed by Yukon Energy's regulators and is consistent with industry best practices.

Session Briefing Note

TAB #4

Fall 2024

Diesel Rentals

Yukon Energy Corp

Rental diesel costs

Item	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25 estimated
# Units	4 units	6 units	9 units	17 units	17 units	17 units	22 units	22 units
Rental Costs, including transportation, start- up/commissioning costs ¹	\$0.7M	\$1.5M	\$1.9M	\$4.1M	\$3.9M ³	\$3.8M ⁴	\$7.7M ⁵	\$6.4M ⁵
Set-up Capital Costs ²			\$1.3M	\$2.4M			\$5.3M	\$0.9M
Fuel Costs (approximate)		\$0.2M	\$1.9M	\$2.1M	\$3.3M	\$2.9M ⁶	\$5.7M ⁶	Based on the amount of fuel needed and fuel prices
Total Costs (approximate)	\$0.7M	\$1.7M	\$5.1M	\$8.6M	\$7.2M	\$6.7M	\$18.7M	

TABLE FOOTNOTES

Prepared for Minister Streicker
Minister responsible for Yukon Energy Corporation

Date prepared: 2024-08-16
Last Updated: 2024-08-26
Page 3 of 4

1. Total rental costs paid to the suppliers, including transportation costs to/from Yukon, start-up/commissioning costs and any other maintenance costs.
2. Capital costs related to the rental infrastructures required to connect the rental diesel unit in Whitehorse, Faro and Mayo. The cost in 2023/24 and forecast cost for 2024/25 reflect capital costs related to the additional infrastructure needed in Mayo to accommodate the 5 additional rental units and the required Faro site modifications to accommodate construction activities for the Thermal Replacement project.
3. Costs were lower than in the winter of 2020/21 because of lower transportation and commissioning costs because seven units remained in Faro through the offseason and eight units remained in Whitehorse.
4. The total cost for Faro rentals in 2022/2023 is overall less than what was contemplated in the 2021/2022 agreement. The total cost for the Whitehorse rentals in 2022/2023 is higher than what was contemplated in the 2021/2022 agreement.
5. The 2023/24 rental contract increase reflects increases in both the number of units required and rental cost increase. The higher cost for 2023/24 also reflects stand-down fees for the units that remained in Whitehorse, Faro and Mayo for the next winter season which reduced transportation and start-up/commissioning costs for the 2024/25 winter.
6. Significant diesel generation was required in January 2024 due to Aishihik Hydro Generation Station outages. The fuel costs for 2023 and 2024 are updated to the 2023/24 General Rate Application approved prices.

Approved by:

Chris Milner

President and CEO, Yukon Energy

September 3, 2024

Date approved

Recommended response:

- On average, over 90% of the electricity Yukon Energy generates each year comes from renewable sources.
- Diesel plays a proportionately small but important role in Yukon's electricity mix, helping to keep Yukoners' homes and businesses warm and the lights on when there isn't enough hydro power available.
- In 2023, approximately two per cent of the electricity Yukon Energy generated came from diesel.
- Diesel also plays a role in helping to integrate renewable energy onto the Yukon's grid.
- As part of its thermal replacement project, Yukon Energy is replacing diesel generators in Faro, Dawson and Whitehorse that have either already retired, or will eventually reach end-of-life, with cleaner, more efficient models.

Additional response:

If asked about Whitehorse:

- The Thermal Replacement Project in Whitehorse will replace two previously retired diesel engines with two new diesel units.
- Yukon Energy plans to install sound attenuating equipment on the east side of its permanent diesel facility to reduce sound levels when the units are running.

If asked about Dawson:

- The Thermal Replacement Project will involve the retirement of the diesel generators in downtown Dawson as they reach end-of-life.
- This capacity will then be replaced with diesel generation at Yukon Energy's Callison substation.

Diesel Replacements

Yukon Energy Corp

- With the growing demand for electricity in Dawson City and across the Yukon, Yukon Energy must maintain its ability to generate 7.1 megawatts of electricity in downtown Dawson City for the foreseeable future.
- Yukon Energy will continue to operate, upgrade and refurbish specific units downtown as needed for now.

If asked about Faro:

- Yukon Energy has decommissioned one of its permanent diesel generators and is replacing it with two new, more efficient diesel generators totaling the same capacity.
 - As part of this work, Yukon Energy has explored options to reduce noise from the generators.
-

Context—this may be an issue because:

- Yukon Energy previously stated it would not be adding more diesel generators; however it will now be adding more diesel capacity in Dawson to meet growth and provide safe, reliable energy for Yukoners.
-

Background:

- The 10-Year Renewable Electricity Plan included the replacement of 12.5 MW of retiring diesel units.
- The cost of this project is still expected to be \$49 million, without the proposed additional diesel capacity at Yukon Energy's Callison site.

Session Briefing Note

TAB # 5
Fall 2024

Diesel Replacements

Yukon Energy Corp

Location	Diesel capacity retired/retiring	Diesel capacity being installed	Forecast in-service date
Faro	5.1 MW (upcoming retirement)	5 MW	Q4 2024
Whitehorse Rapids Diesel Plant	5 MW (previously retired)	5 MW	Q3 2025
Dawson City	Yukon Energy will maintain its diesel generators downtown until they reach end-of-life. This decision was made based on growing demand for electricity in Dawson. There is no timeline for when these units will be retired.	6.5 MW relocated to Callison substation (Assessing up to 15.5 MW)	Q1 2025

Yukon Energy conducted a feasibility study for the option to replace end-of-life diesel generators in Whitehorse with natural gas engines, however, the study found that the capital costs of the natural gas engines were higher than the diesel engine solution.

Approved by:

Chris Milner

President and CEO, Yukon Energy

September 26, 2024

Date approved

Recommended response:

- We are all committed to working towards a renewable energy future.
- Thermal backup provides us with the stability and reliability we need today while we plan for new, renewable projects.
- On an average of 25 years, more than 90% of the electricity Yukon Energy has generated comes from renewable sources.
- Diesel and liquified natural gas provide critical back-up generation; keeping Yukoners safe and warm during the winter, emergency events and whenever there aren't enough renewable resources available.
- Currently we are using more thermal generation and are at approximately 85% renewable generation because of the low water in the Aishihik reservoir and because of key assets that are offline for repair and maintenance.
 - This is a real-time example of the importance of diesel and LNG.
- All of the permanent diesel generators that are currently being installed through the diesel replacement project are replacements for existing or previously retired diesel generators.
 - This includes Dawson, as the generators downtown will be retired in the future when they reach end-of-life.
- The Colliers report found that renting generators remains the most cost-effective option in the short-term.

Diesel - general

Yukon Energy Corp

- In the end, the goal of adding renewable generation while ensuring there is thermal backup generation to get us through winter months remains the same.
- Yukon Energy is also preparing for the safe integration of renewables. This will involve investments in electrical infrastructure, additional firm generation, and the investigation of sites that allow for additional grid-scale batteries for storage, transmission, distribution and substations.
- Recently, the Department of Environment asked Yukon Energy to permit the emergency capacity at all of its diesel facilities.

In response, Yukon Energy has submitted proposals to the Yukon Environmental and Socio-economic Assessment Board for its Faro and Mayo diesel facilities.

Approved by:

Chris Milner

October 12, 2024

President and CEO, Yukon Energy

Date approved

Recommended response:

- Yukon Energy is assessing up to 15.5 megawatts of diesel generation at its Callison substation.
- The proposed diesel generation will allow Yukon Energy to meet growing demands for power during emergencies and plan for the future relocation of the downtown diesel generators to Callison.
- This dependable capacity is also essential for the integration of additional intermittent renewables in the Dawson area.

Context—this may be an issue because:

- More diesel capacity is being added in Dawson.
-

Background:

- The cost of this project is forecasted to be approximately \$12 million.
- The 6.5 MW of diesel generation at Callison is made up of 3.25 MW (from the Thermal Replacement Project) plus 3.25 MW to support dependable capacity needed for safety, grid resilience, and reliability.
- Before Yukon Energy can operate diesel engines at the Callison site, it must first complete a Yukon Environmental and Socio-economic Assessment Board Executive Committee assessment and receive an air emissions permit from the Yukon government's Department of Environment.
- Yukon Energy submitted its Project Proposal to the Yukon Environmental and Socio-economic Assessment Board in June 2024.
- Prior to submitting the application, Yukon Energy conducted multiple rounds of engagement with the Tr'ondëk Hwëch'in, the City of Dawson, local stakeholders and the Dawson community.
- [YESAB's Executive Committee has issued its screening report and recommendation and found that the project will not result in significant adverse effects. It has recommended that the project be allowed to proceed.](#)

Diesel Generation at Callison

Yukon Energy Corp

- Yukon Energy is actively pursuing alternate options, like mutual aid agreements, in the event the generators cannot be run this winter.
- In addition to the diesel generators at Callison, Yukon Energy will continue to maintain its existing diesel generators in downtown Dawson City for the foreseeable future.
- Yukon Energy heard during the engagements that reliability, the integration of more renewable projects, and noise and aesthetics downtown are important to the Dawson community.
- This project will help Yukon Energy to support these needs by providing firm, back-up power at the Callison substation located out of the downtown core.
- While most of the electricity Yukon Energy delivers to Dawsonites comes from renewable resources, having diesel generators in the community helps Yukon Energy to keep the lights on during maintenance outages, and in case of trouble on the transmission line that connects Dawson to hydro power on the grid.
- The diesel generators can also be used to provide reliable electricity service to homes and businesses during winter peaks and whenever renewable sources are not available.

Approved by:

Chris Milner

President & CEO, Yukon Energy

November 20, 2024

Date approved

Fall 2024

Affordability

Yukon Development Corporation

Recommended response:

- The rates that Yukoners pay for energy remain the lowest in the North and similar to those paid in Alberta.
- Ensuring energy affordability, while investing in modernizing and expanding the grid is a key concern.
- The Yukon Development Corporation actively pursues federal funding to reduce capital costs of projects. For example, \$16.5 million for the Battery Energy Storage System was provided through the Investing in Canada Infrastructure Program.

Additional response:

- The Interim Electrical Rebate continues to provide residential electrical customers with a maximum rebate of \$22.62 per month based on the electricity they consume, up to 1,000 kilowatt hours.
- In 2010, the Yukon Development Corporation secured a \$100 million bond to help finance the construction of the Mayo B Hydro Facility and Carmacks-Stewart Transmission Line.
- Securing this bond helped reduce costs to ratepayers for these important infrastructure upgrades.
- The Mayo bond matures in 2040. At that time, the bond can be paid out, replaced with traditional debt, or renewed for an additional term.

Context—this may be an issue because:

- Mayo B Ratepayer Support is included as a line item in the 2023-24 budget.
- There has been criticism in the past that the 5 per cent bond is expensive, and no plans to repay it have been made public.

Fall 2024

Affordability

Yukon Development Corporation

-
- Both ATCO Electric Yukon and Yukon Energy Corporation have granted increases by the Yukon Utilities Board, which will increase the rates billed to customers.

Background:

- Interim Electrical Rebate
 - The Interim Electrical Rebate provides residential electricity customers with up to \$22.62 off their bills each month, or up to \$271.44 per year.
 - The Interim Electrical Rebate is based on electrical usage and provides a rebate on the first 1,000 kilowatt hours per month for residential customers only.
- Mayo B Ratepayer Support
 - Interest payments on the bond are set at 5 per cent per annum.
 - The Yukon government guaranteed \$52.5 million of the \$100 million bond and agreed to pay the interest on that portion. This currently amounts to \$2.625 million annually, with the Yukon Development Corporation covering the remaining \$2.375 million annually.
 - The \$2.625 million forms part of Vote 22 for the Yukon Development Corporation.

Approved by:



President, Yukon Development Corporation

August 30, 2024

Date approved

Recommended response:

- Yukoners may notice that electricity bills are higher, as Yukon Energy's rate increase, which was approved by the Yukon Utilities Board, came into effect on October 1.
- The result of this increase is that average residential bills in October will be about 10.5% or \$23 higher than bills in September, all other things, like the amount of power used by the customer being equal month over month.
- Yukon Energy's General Rate Application represented cost escalations over three years. When broken down, the annual cost increase is less than the rate of inflation.
- Recognizing that winter is soon upon us when Yukoners tend to use more electricity and have higher bills, Yukon Energy together with ATCO successfully applied to the Yukon Utilities Board for fuel rebates that will be provided back to Yukoners. This will result in a 1.7% reduction or a \$4 decrease for typical residential bills over the winter months.
- This change will be effective as of November 1, 2024.
- Although these rebates will help Yukoners, the overall bill increase is higher than what was initially proposed by Yukon Energy.
- This is because their requests to smooth rates through smaller, interim rate increases over the last two years were denied by the Yukon Utilities Board.

Additional response

- Energy utilities routinely submit rate applications to utility boards to cover the costs of capital investments and operations.

- Yukon Energy's 2023/24 General Rate Application addressed investments made into the Yukon's energy system that ensure Yukoners have the electricity needed for the future.
- The investments made by Yukon Energy were to:
 - meet growing demands for electricity;
 - maintain and upgrade our electricity system;
 - respond to climate change objectives and the transition to electrification in the Yukon's heating and transportation sectors; and
 - account for rising material and labour costs impacting all sectors.
- Rates in the Yukon remain the lowest in the North and are comparable to rates in southern jurisdictions.
- Yukon Energy, Yukon Development Corporation, and Yukon Government are working together to keep rates as affordable as possible by providing ratepayer supports and jointly seeking federal investments.
- In the last five years we have seen a 23% growth in electricity demand in the Yukon. Yukon Energy is also preparing for a 36% increase in electricity demand by 2030.
- For example, if one house in Dawson City or other communities in the Yukon switches from diesel or propane to electric heat, the electrical demand for that household more than triples.
- Yukon Energy's 2023/24 General Rate Application included:
 - Capital projects like the thermal replacement project (only Faro in 2024), Whitehorse interconnection project (Riverside substation upgrades), transmission line replacement (L178 from Carmacks to Faro), Aishihik 5-year licence renewal, Mayo rental diesel infrastructure, Dawson voltage conversion and others;

- Demand-side management programs;
- Dealing with the impacts of electrification of heating and transportation;
- Purchasing electricity from Independent Power Producers;
- The cost to rent diesel generators to maintain sufficient capacity during the winter;
- Upgrading existing power plants and other components of the electricity system that have reached end-of-life;
- Rising labour costs and the addition of 19 new staff positions since 2021; and
- Inflation and cost of debt.
- The Yukon Utilities Board approves all rate increases before they are applied to bills.

Context—this may be an issue because:

- ATCO Electric Yukon also filed for 2023/24 General Rate Application with a net impact of an increase to bills.
 - The Opposition has raised concerns regarding the affordability of energy in the Yukon and whether rate increases are necessary, as well as questions about why Yukon government has not intervened in the Yukon Utilities Board process.
 - Yukon Energy will be seeking additional avenues to reduce the cost to ratepayers, including seeking additional federal and/or territorial funding. The forecasted combined revenue shortfall for 2023 and 2024 was about \$22 million.
-

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TAB #8
Fall 2024

General Rate Application - YEC

Yukon Energy Corp

Background:

Date of rate adjustment	Utility	Rate increase	Bill impact (to residential customers using 1,000 kWh/month)
January 1, 2024	ATCO	Rider R - 2.5%	1.6% increase
	YEC	Rider J – 10%	6.3% increase
	YEC/ATCO	Rider F (fuel) reduced to 0	7.6% reduction to net 0.3% increase
August 1, 2024	YEC	Rider J – 3.01% increase	0% net bill impact
	YEC	Rider J1 – 3.01% reduction	
September 1, 2024	ATCO	Rider R – 3.58% increase	1.5% net increase
	ATCO	Rider R – 1.15% refund	
October 1, 2024	YEC	Rider J – 7.55% increase	10.5% combined increase
	YEC	Rider J1 – 9.45% increase	
November 1, 2024 to March 31, 2025 Approved	YEC (with AEY for Rider F)	Rider E and Rider F refunds	1.7% decrease

Proposed in the Original GRA Filing:

Prepared for Minister Streicker
Minister responsible for Yukon Energy Corporation

Date prepared: 2024-08-08
Last Updated: 2024-10-16
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TAB #8
Fall 2024

General Rate Application - YEC

Yukon Energy Corp

Proposed Date of Rate Adjustment	Proposed Rate increase	Bill increase	Reason for variance
October 1, 2023	3.3%	3.0%	Rate impact is less because it does not apply to Rider F (fuel) charge on bills
January 1, 2024	8.4%	0.0%	Rider F (fuel) expected to be reduced to zero
August 1, 2024	2.3%	3.0%	YEC 2021 GRA True-Up Rider comes off bills. YEC 2024 GRA True-up applied to bills at a slightly higher level than previous 2021 True-Up
Total:	14.1%	6%	

The final rate increase for Yukon Energy's 2023/24 GRA was 14.08%. The net bill impact of the GRA when compared to the pre-GRA bills was about 9.5% [compared to 6%] due to required temporary true-up as the result delayed implementation of the requested rate increases.

- ATCO and Yukon Energy are separate utilities. Yukon Energy's rate increase will account for Yukon Energy's costs, while ATCO's rate increase accounts for their costs.
- The Department of Justice is responsible for the oversight of the Yukon Utilities Board and the guiding legislation, the *Public Utilities Act*, is undergoing review.

Approved by:

Chris Milner
President and CEO, Yukon Energy

October 22, 2024
Date approved

Fall 2024

General Rate Application - ATCO

Yukon Development Corporation

Recommended response:

- The Yukon Utilities Board recently approved rate increases for both ATCO and Yukon Energy to account for rising costs and inflation.
- The Yukon Utilities Board approved rate increases resulted in approximately a 1.5 percent net bill increase in September related to ATCO's rate application and a further 10.5 percent increase in October for YEC's rate application.
- Recognizing that winter is soon upon us where Yukoners tend to use more electricity and have higher bills, Yukon Energy together with ATCO have applied to the Yukon Utilities Board that Rider F fuel rebates be provided back to Yukoners. This could result in a 1.7% reduction in bills over the winter months.
- If approved, this change would be effective November 1, 2024.

Additional response

- The rates that utilities charge for electricity are set by the Yukon Utilities Board, which is an independent regulator responsible for making decisions that are in the public interest.
- Decisions about the processes used for setting rates and making rate changes are currently within the Board's jurisdiction to determine.
- The Government of Yukon respects the Board's expertise and discretion in making these important decisions.
- The Government of Yukon will continue to support the Board in fulfilling its responsibility to make independent, evidence-based decisions that are consistent with national standards for utility regulation and reflect the interests of Yukoners.

Fall 2024

General Rate Application - ATCO

Yukon Development Corporation

Context—this may be an issue because:

- On May 31, 2024, the YUB issued its decisions and required AEY to submit a compliance filing within 30 days.
- The AEY application makes several references to its relationship with Yukon Energy Corporation (YEC), as well as analysis of the cost implications of Yukon government policies and programs related the renewable energy on AEY.
- The Yukon New Democratic Party have intervened in the Yukon Utilities Board proceeding and has raised concerns through that process, particularly related to AEY's past over-earnings.

Background:

- On July 7, 2023, ATCO Electric Yukon ("AEY") submitted a General Rate Application (GRA) to the Yukon Utilities Board (YUB) for the 2023-2024 Test Period.
- The application sought approvals related to:
 - Revenue requirements for the 2023-2024 Test Period;
 - Deferral accounts;
 - Changes to Rider R in two installments (August 1, 2023 and January 1, 2024);
 - Business Cases for 2023-2024 Capital Additions; and
 - Other reliefs that the Board may view as appropriate.
- Rates
 - AEY requested a 6.68% Interim Refundable Rate Rider ("Rider R") for electrical consumption between August 1, 2023 and December 31, 2023 that would come into force on August 1, 2023.
 - AEY also requested Rider R increase to 13.50%, effective January 1, 2024.
 - The Board issued a decision in Board Order 2023-22 dated September 15, 2023 as follows:
 - Interim Rate Adjustment Rider R was to remain at 8.30% for 2023, and

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Fall 2024

General Rate Application - ATCO

Yukon Development Corporation

- Effective January 1, 2024, the Interim Rate Adjustment Rider R was to be increased by 2.50% to 10.80%.
 - The Board approved final rates for AEY effective September 1, 2024 increasing the Rider R to 14.38% offset by temporary Rider R of -1.15%.
- Return on Equity
 - AEY's ROE set in 2016-2017 was 9.00%, the approved ROE for 2023/24 GRA is 9.50%.
- Reserve Balances
 - The application requested that YUB permit AEY to resume collecting funds to create a sufficient reserve for repairs.

Approved by:



President, Yukon Development Corporation

September 27, 2024

Date approved

Recommended response:

- Yukon Energy works hard to ensure reliable service for all Yukoners, but like any jurisdiction in Canada, power outages happen.
- Outages in the Yukon are generally much shorter than outages in eastern Canada, which can last several days.
- In all cases, Yukoners need to be prepared and should have a 72-hour kit to keep households safe in the event of a power outage.

Additional response:

- Some outages are caused by factors that are out of the utilities' control, like lightning and high winds.
- When these weather events occur, crews are dispatched as quickly as possible to diagnose and correct the issue.
- Restoration can take time as line inspections from vehicles or helicopters are often needed to identify and remedy issues prior to safely re-energizing the system.
- Summer outages can happen for a number of reasons including trees falling on power lines, animal or third-party contact with the power system, equipment failure, human error and sometimes because of instability caused by third-party generation sources.
- Some outages are also planned, related to repair work or system upgrades. For these outages, Yukon Energy provides advanced notice to customers that will be affected so they can prepare.
- Both Yukon Energy and ATCO crews work hard to restore power as quickly as they can, even in extremely cold temperatures.
- Yukon Energy, ATCO and the Yukon government's Emergency Measures Organization continue to update and refine their communications protocol to ensure Yukoners receive the information they need during emergencies and extended outages.

If asked about the unplanned extended outage in Faro in September 2024:

- The unplanned outage in Faro that occurred over September 20th and 21st was caused when Yukon Energy's diesel generator in Faro tripped offline.
- At the time, Faro was being powered by a diesel generator in Faro, as the community was islanded from the rest of the grid.
- Faro has since been reconnected to the main grid.
- We continue to run our diesel generator in Faro to reinforce system reliability.

If asked about the planned outages in Dawson this summer

- This past summer and fall, residents in Dawson City experienced a series of planned outages because of Yukon Energy's voltage conversion project, a critical project needed to upgrade the local power system in Dawson as demand for power in the community continues to grow.
 - Outages affecting more than 12 customers were given at least one week's notice.

Context—this may be an issue because:

- The Opposition may ask what Yukon Energy is doing to ensure prolonged outages do not become a regular occurrence.

Background:

- Yukon Energy recognizes that demand for electricity is growing and is expected to increase by 36% by 2030.

Outages

Yukon Energy Corp

- Yukon Energy's N-1 planning standard accounts for Yukon Energy's largest generation source, the Aishihik hydro facility and the connected transmission line, being unavailable.
- In an N-1 scenario, to address the capacity shortfall, Yukon Energy could:
 - request mines curtail electricity use;
 - use ATCO's diesel assets;
 - ask high load users like territorial or municipal governments to curtail electricity use or self-generate electricity; and/or
 - ask Yukoners to stop all non-essential electricity use.
- The last resort in an N-1 scenario would be rolling blackouts.

Approved by:

Chris Milner

November 13, 2024

President, Yukon Energy Corporation

Date approved

Session Briefing Note
BC Grid Intertie

Energy, Mines and
Resources and Yukon
Development Corporation

Recommended response:

- In Our Clean Future, the Government of Yukon committed to a target of 97 per cent of electricity on the Yukon's main grid being generated from renewable sources; up from the 92 per cent it is today.
- The Yukon's growing population and increased electrification of our economy have also put more demand on our electrical grid. The Yukon – British Columbia Grid Intertie project could allow the Yukon to maintain high levels of renewable energy over the long term.
- The project will be large and complex with infrastructure that could cross multiple traditional territories and provincial/territorial borders.
- By increasing the Yukon's renewable electricity supply we are supporting our ambitious electrification goals to reduce greenhouse gas emissions from the Yukon's largest emission sources: transportation, heating and mining.

Additional response:

- We are also looking at technical feasibility and options, potential cost and funding opportunities.
- Connecting the Yukon to British Columbia's electrical grid reduces greenhouse gas emissions from fossil fuel use and provides a nation building opportunity that will advance arctic security, and foster shared growth, prosperity, and reconciliation.
- By connecting to British Columbia's electrical grid, we will increase our power supply, which will support sustainable critical mineral

Session Briefing Note
BC Grid Intertie

Energy, Mines and
Resources and Yukon
Development Corporation

development in the Yukon. Critical minerals are important for the global transition away from fossil fuels.

Context — this may be an issue because:

- Energy and grid issues are popular topics regularly covered by local media.
 - During both the 2022 fall and 2023 spring sittings of the Legislative Assembly, opposition MLAs criticized the government's renewable energy plans and questioned its ability to meet increasing energy demands.
-

Background:

- In 2019, Midgard Consulting produced the 'Yukon-British Columbia Interconnection Development Plan.' The report identified the project's objectives, a proposed development approach and a very preliminary cost estimate.
 - In 2022, approximately 92 per cent of the electricity on the main grid was obtained from renewable energy sources.
 - Renewable electricity, especially hydroelectricity, accounted for approximately 80 per cent of the Yukon's total electricity generation in 2022. Over 98% of the electricity generated in BC is from renewable sources.
 - At the March and September 2023 Yukon Forum meetings, leadership discussed the potential to connect the Yukon and British Columbia grids. This discussion represents the beginning of the governments' collaboration on the project.
 - The grid intertie project was also presented at the Yukon First Nations' Energy Summit in October 2023 and was discussed at the Regional Energy and Resource Table meetings in January and April 2024.
 - In February, an application was made to the Critical Mineral Infrastructure Fund requesting up to \$40 million over the next four years to support pre-feasibility and engagement for this project.
 - Work on the feasibility of the grid intertie project will require the completion of a new conceptual design with updated costing.
-

Session Briefing Note
BC Grid Intertie

Energy, Mines and
Resources and Yukon
Development Corporation

- One of the new actions added to Our Clean Future includes a commitment to complete an updated conceptual design and alternative route analysis for the Yukon-British Columbia grid intertie project by the end of 2025.
- The Department of Energy, Mines and Resources plans to release a request for proposals for the purpose of completing the pre-conceptual design and revised cost estimates for the project. Results of this work are scheduled to be completed in 2025.

Approved by:

Dennis Berry

2024.08.21

Deputy Minister
Department of Energy, Mines and Resources

Date approved

Gary Gazankas

2024.08.29

President and CEO
Yukon Development Corporation

Date approved

EMR #10/ YDC #12
Fall 2024**Session Briefing Note**
Micro-generationEnergy, Mines and
Resources and Yukon
Development Corporation

Recommended response:

- The micro-generation program has seen strong uptake and popularity throughout the Yukon since it was launched in October 2013.
- Yukoners have installed renewable energy generating systems at such a high rate that we have achieved our 2030 micro-generation target of 7 megawatts seven years ahead of schedule.
- We have temporarily paused micro-generation program intake for the Whitehorse and Southern Lakes area. We are working with public utilities to study how to add more variable renewable energy to the grid while ensuring grid reliability.

Additional response:

- During the program pause, we are making technical improvements to allow micro-generation systems to be more resilient to frequency changes on the grid and completing a technical study to inform next steps.
- We continue to process micro-generation applications that were received before the program was paused.
- There are currently over 9 megawatts of direct current renewable energy generating capacity installed.

Context — this may be an issue because:

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Micro-generationEnergy, Mines and
Resources and Yukon
Development Corporation

- The micro-generation program was paused in December 2023, and then extended at the end of May 2024 out to January 15, 2025.
-

Background:

- Our Clean Future (action E10) targets 7 megawatts of installed renewable electricity capacity by 2030 through micro-generation. As of June 2024, there were 816 micro-generators connected to the Yukon utility grid generating 9.7 megawatts direct current capacity, enough to supply about 1.9 per cent of the Yukon's five-year average annual electricity generation. (See BN #33)
- Under the micro-generation program, eight First Nations governments and four First Nations Development Corporations have installed 120 renewable energy generating systems on institutional, commercial and residential buildings throughout the Yukon.
- The micro-generation program has been active since October 2013 and was designed to allow Yukoners to connect their home or business renewable electrical generation systems to the grid.
- In summer 2023, Yukon's electric utilities attributed grid disruptions on the Yukon Integrated System to the high number of micro-generation systems.
- Yukon Development Corporation and Energy, Mines and Resources have responded to the utilities' concerns in three ways: 1) commencing a technical grid study; 2) agreeing to pause pre-approvals for the microgeneration program until the study is complete, and; 3) change solar PV system inverter settings. In addition to these actions, ATCO Electric Yukon has recently determined that they will not approve any additional installations in the Haines Junction area due to feeder limitations in this part of the grid. Yukon government will continue to work with utilities to resolve these challenges.
- Energy Branch officials are working with utilities, industry, and micro-generation participants to change inverter settings. This will allow micro-generation systems to be more resilient to changes in frequency on the grid, improving grid stability.

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Micro-generationEnergy, Mines and
Resources and Yukon
Development Corporation

- The technical study is in progress and expected to be completed in the fall. The study will assist in determining the next steps for the program.

Approved by:**Dennis Berry****2024.09.05**Deputy Minister,
Department of Energy, Mines and Resources

Date approved

Gary Gazankas**2024.09.05**President,
Yukon Development Corporation

Date approved

Relicensing

Yukon Development
Corporation

Yukon Energy
Corporation

Recommended response:

- Both the Yukon government and Yukon Energy are taking collaborative approaches to working with First Nations governments during the assessment and licensing of energy projects, and on an ongoing basis throughout their operation.
- Working with Indigenous governments on energy projects and production is foundational to meeting the Yukon's climate change and energy goals.

Additional response:

If asked about Whitehorse Rapids Generating Station:

- The Whitehorse Rapids Generating Station is a critical piece of infrastructure, generating 80% of the electricity Yukoners use in the summer and 25% of the electricity Yukoners use in the winter. As such, receiving its water use licence before the current licence expires is paramount.
- Yukon Energy remains focused on getting through the Information Request process in time for the Water Board to issue its authorization prior to the expiry of the existing licence.
- [A Water Use Licence was submitted to the Yukon Water Board so that the processes can move forward efficiently.](#)
- Yukon Energy will also begin the compensation claim process, ahead of the Yukon Water Board hearing.

Relicensing

Yukon Development
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- The submission of the proposal to Yukon Environment and Socio-economic Assessment Board follows two years of discussions with the Carcross/Tagish First Nation, Kwanlin Dün First Nation, Ta'an Kwäch'än Council, and the Government of Yukon.

If asked about Mayo Generating Station:

- In July of 2024, Yukon Energy submitted its Project Proposal to Yukon Environmental and Socio-economic Assessment Board for its Mayo Generating Station Relicensing Project after extensive discussions with the First Nation of Na-Cho Nyak Dun.
- Yukon Energy is seeking a five-year licence term based on the extensive amount of permitting, civil and construction work that is required around the Mayo hydro facilities in the next five years and feedback from the First Nation of Na-Cho Nyak Dun.

If asked about the Aishihik Generating Station:

- Yukon government and Yukon Energy Corporation are working with Champagne and Aishihik First Nations to implement agreements signed in 2022, which establish a collaborative relationship that will allow us to advance shared priorities in the Aishihik Lake area over the long term.

If asked about salmon:

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- In 2023, only 15,304 Chinook were recorded passing into Canada and a mere 154 reached the Whitehorse Fish Ladder. In comparison, in 2003, there were over 1,400 salmon counted at the Whitehorse Fish Ladder.
- [As of September 7, 2024, 356 salmon have passed through the Whitehorse Fish Ladder.](#)
- The agreement between the Government of Canada and the State of Alaska reached in April 2024, requires that all partners address several factors, including examining the impact that our infrastructure and development has on the Yukon River salmon population.
- The Government of Canada's Department of Fisheries and Oceans is responsible for the management of Pacific salmon and their habitat. The department plays an important role in the territory's regulatory regime for mining.
- The Government of Yukon accepts that we too have a role to play in ensuring the success of our territory's salmon and we will continue to work with all partners to address the challenges and opportunities related to salmon management, including at the Whitehorse Fish Ladder.
- Yukon Energy recognizes the cultural importance of salmon and is working with Yukon First Nations to mitigate the effects of its facilities on salmon populations. This includes discussions around fish passage.

Relicensing

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Context—this may be an issue because:

- First Nation governments and the Department of Fisheries and Oceans have raised concerns about the impact of existing hydroelectric facilities on salmon populations.
 - The facilities are undergoing assessment and permitting.
 - There are ongoing negotiations with First Nations governments related to the relicensing of the facilities.
-

Background:

Aishihik Generating Station (AGS)

- The AGS Agreements are intended to improve the efficiency of assessment and permitting processes and the relationships between the parties, and to provide for predictability and collaboration in the long-term relicensing of the facility.
- While the details of the AGS Agreements are confidential, they are consistent with Chapter 22 of the Final Agreements and include a non-equity, passive investment opportunity in the AGS which will allow Champagne and Aishihik First Nations to realize an economic benefit tied to its continued operation.
- The Yukon Energy Corporation (YEC) obtained a 5-year water licence for the AGS in December 2022.

Whitehorse Rapids Generating Station (WRGS)

- Yukon Energy submitted its Project Proposal to YESAB for its Whitehorse Rapids Generating Station on December 8, 2023.
 - The water licence for the WRGS expires on May 31, 2025.
 - The Department of Fisheries and Oceans helped to design the current fish ladder at the dam when it was built in 1959. When the fourth turbine was added in 1984, the Department of Fisheries and Oceans required the Whitehorse fish hatchery be built and operated. Annually, Yukon Energy works collaboratively with
-

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TAB #13

Fall 2024

Relicensing

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the Department of Fisheries and Oceans on hatchery targets, like salmon broodstock and juveniles released.

- Yukon Energy continues to work with the Carcross/Tagish First Nation, Ta'an Kwäch'än Council and Kwanlin Dün First Nation to develop and implement culturally considerate practices at both the hatchery and fish ladder.

Mayo Generating Station (MGS)

- The water licence for the MGS expires on December 31, 2025.
- A proposal to YESAB was submitted on July 17, 2024.

Approved by:

Gary Gazankas

November 13, 2024

President, Yukon Development Corporation

Date approved

Chris Milner

November 13, 2024

President, Yukon Energy Corporation

Date approved

Fall 2024

Arctic Energy Fund

Yukon Development
Corporation

Recommended response:

- The Arctic Energy Fund provides funding to renewable energy projects.
- The fund is part of the larger Investing in Canada Infrastructure Program. This program aims to build modern, resilient and green communities for Canadians.
- To date, four projects have been approved for funding:
 - Sãdę Initiative (Watson Lake) \$18 million
 - Haeckel Hill Wind Project (Whitehorse) \$13.07 million
 - Kluane N'tsi Project (Burwash/Destruction Bay) \$2 million; and
 - Dome Road Solar Project (Dawson City) \$486,000.
- With the approval of the Sãdę Initiative, the Arctic Energy Fund is fully subscribed.
- Yukon Development Corporation is working with federal funders to identify new sources of funds to support the development of future energy projects.

Additional response:

- The Yukon's total budget under the fund is \$33.55 million.
- This is in addition to the Innovative Renewable Energy Initiative, which provides \$2.5 million annually to the development of renewable energy and heating projects in the Yukon.

Fall 2024

Arctic Energy Fund

Yukon Development Corporation

Context—this may be an issue because:

- The Confidence and Supply Agreement commits to a target of \$5 million per year for renewable energy projects.

Background:

- The Arctic Energy Fund is part of an integrated bilateral agreement signed between the Government of Canada and the Government of Yukon's Department of Community Services.
- Amendments to the agreement include allowing First Nation development corporations to access higher levels of funding support, and extending project completion deadlines from 2028 to 2033.
- It is not anticipated that the Arctic Energy Fund will be recapitalized by the Government of Canada.

Project	Location	Size	YDC Funding	Total Project Cost
Sãde Initiative	Watson Lake	4.7 megawatts DC PV connected to a 2.85 MW AC of inverter capacity	\$18 million	\$26.6 million
Haeckel Hill Wind	Whitehorse	4 megawatts	\$13.07 million	\$29.8 million
Kluane N'tsi Project	Burwash/ Destruction Bay	900 kilowatts and 40 kilowatts battery	\$ 4 million	\$17.7 million
Dome Road Solar Project	Dawson	309 kilowatt DC/199 kilowatt AC solar power	\$486,000	\$790,000

Fall 2024

Arctic Energy Fund

Yukon Development
Corporation

Approved by:



August 30, 2024

President, Yukon Development Corporation

Date approved

Demand Side Management (Peak Smart)

Yukon Development
Corporation
Yukon Energy
Corporation

Recommended response:

- Yukon Energy launched its first full-scale demand-side management program, Peak Smart Home, in November of 2023.
- Over 300 Yukoners applied for Peak Smart Home, and through the program, over 1300 electric baseboard thermostats and over 330 hot water tank controllers were installed.
- [The demand-side management portfolio has achieved 0.5 MW of dependable capacity through 2024.](#)
- Yukon Energy also signed Peak Smart Home Participation Agreements with Yukon Housing, the Ta'an Kwäch'än Council and the First Nation of Na-Cho Nyak Dun.
- Future demand-side management initiatives will include a bring-your-own-device phase of Peak Smart Home, and an electric vehicle charging program. These programs are expected to launch by early 2025.

Additional response

- Yukon Energy, Yukon Development Corporation, and Energy Branch (Energy, Mines, and Resources) are working together to design and implement programs that will encourage Yukoners to reduce their energy consumption, because the cleanest electricity is the electricity that is not used.
- Reducing winter demand, along with increasing the supply of energy and dependable capacity in the winter months, are the two most

Demand Side Management (Peak Smart)

Yukon Development
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effective ways to help minimize our short-term reliance on thermal sources to provide necessary power in the coldest, darkest months.

Context—this may be an issue because:

- Questions may be asked about how Yukon Energy will ensure that there is sufficient power to meet peak winter demand, as well as the value for the funding allotted towards demand side management programs.

Background:

- The first phase of the demand side management project, through to the end of 2024, is expected to cost \$2.8 million dollars.
- Yukon Energy has secured \$125,000 in funding from Northern REACHE to support the participation of Yukon First Nations in the Peak Smart Home program. This funding is anticipated to be received in Q3 or Q4 of 2024.
- In 2023, the project has received commitments of \$600,000 in funding:
 - \$500,000 from the Government of Yukon; and
 - \$100,000 from the Government of Canada.
- Yukon Energy's contribution to the pilot and new program was included in rates proposed to the Yukon Utilities Board in the 2023 General Rate Application.
- The Yukon Utilities Board approved these costs in a Board Order issued in July 2024.

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Demand Side Management (Peak Smart)

Yukon Development
Corporation

Yukon Energy
Corporation

Approved by:



President, Yukon Development Corporation

November 13, 2024

Date approved

Chris Milner

President and CEO, Yukon Energy

November 13, 2024

Date approved

Recommended response

- Yukon Energy expects to use more thermal resources this winter to generate electricity due to the lower-than-average inflows of water into its Aishihik reservoir this spring and summer.
- The Aishihik hydro facility is the largest source of winter hydro power in the Yukon and produces about 40% of the electricity Yukon Energy generates each winter.
- Cold temperatures combined with low water can put pressure on the grid and impact Yukon Energy's ability to meet peak winter electricity demand through hydro alone, which is why thermal resources are an important part of the Yukon's energy mix.
- Yukoners can do their part by shifting their electricity use away from peak times in the winter, which is usually in the mornings and evenings.

Additional response

- Wind and solar resources will help a little, but on their own, won't provide the firm capacity we need to meet peak demand for electricity.
- In 2023, 91% of the electricity Yukon Energy generated came from renewable resources.
- Nine per cent came from thermal resources, of which approximately 7% was Liquified Natural Gas and 2% was diesel.

Context—this may be an issue because:

- The *Clean Energy Act* requires public utilities meet renewable targets on the integrated grid.
- The Opposition has raised concerns about the use of rental diesel generators to meet peak demand.

Session Briefing Note

TAB # 16

Fall 2024

Electricity Supply 2024/25

Yukon Energy Corp

Background:

- Residential and commercial peak demand for power in winter 2023/24 was 99 megawatts.
- Overall residential and commercial peak demand for power was 118.5 megawatts recorded on December 20, 2022.

Historical Percentage Renewable

2019	2020	2021	2022	2023	5-Year Average	25-Year Average
84%	86%	92%	92%	91%	89%	96%

- In 2019 and 2020, lower-than-average renewable generation was caused by low water levels and drought conditions across the Yukon.

Approved by:

Chris Milner

President and CEO, Yukon Energy

September 3, 2024

Date approved

First Nation Investment Framework

Yukon
Development
Corporation

Recommended response:

- Yukon Development Corporation is working with Yukon Energy, the Government of Yukon, and Indigenous Proponents to meet the renewable energy generation targets set out in the Our Clean Future strategy.
- To create pathways for Yukon First Nations to economically participate in utility-led projects, Yukon Development Corporation is developing a framework to be released publicly in 2024.

Additional response:

- There is a need for a predictable and replicable Framework for First Nation investment in the energy economy, regardless of which projects are advanced.

Context—this may be an issue because:

- A Discussion Paper was circulated for the Council of Yukon First Nations Energy Conference in November 2023.
- In the tracking of implementation of Action Items in *Our Clean Future*, the Action is marked as delayed.

First Nation Investment Framework

Yukon
Development
Corporation

Background:

- Action E9 of *Our Clean Future* states that Yukon Development Corporation shall “Develop a framework by 2022 for First Nations to economically participate in renewable electricity projects developed by Yukon’s public utilities.”
- The Discussion Paper addressed:
 - An overview of the Yukon’s energy needs.
 - The regulatory context for energy in the Yukon.
 - A jurisdictional scan of how other Canadian provinces and territories are incentivizing First Nation participation in the energy economy.
 - An assessment of the unique challenges facing the Yukon to create economically viable energy projects.
 - Identification of different opportunities for First Nation ownership of energy projects, including through ownership participation in Yukon Energy or the development of a new public utility.
 - Non-equity participation in the energy economy through training, employment, and participation in decision-making structures.

Approved by:



President, Yukon Development Corporation

August 30, 2024

Date approved

Investing in Canada Infrastructure Program

Fall 2024

Yukon Development
Corporation

Recommended response:

- Under the Investing in Canada Infrastructure Program, Yukon Development Corporation funded two priority green infrastructure projects undertaken by Yukon Energy:
 - \$ 16.5 million into the Battery Energy Storage System to help balance daily demand for electricity; and
 - \$ 22.7 million was invested in the Mayo-McQuesten transmission line upgrade.

Context—this may be an issue because:

- The Opposition has raised concerns about the status of energy projects.

Background:

- The Green Infrastructure Stream falls under the Investing in Canada Infrastructure Program with the aim of supporting greener communities by contributing to climate change preparedness, reducing greenhouse gas emissions, and supporting renewable technologies in Canada.
- The funding program is fully allocated towards the Battery Energy Storage System and the Mayo McQuesten Transmission Line
 - Completed in 2021 the upgrade of the transmission from McQuesten substation to the community of Mayo the line is 31 kilometers.

Approved by:



President, Yukon Development Corporation

August 30, 2024

Date approved

Session Briefing Note

Fall 2024

IPP

Yukon Development
Corporation

Yukon Energy
Corporation

Recommended response:

- The Independent Power Production policy enables Yukon First Nations governments, communities, and entrepreneurs to generate renewable energy and feed clean electricity into the main electrical grid or into micro-grids in diesel-dependent communities.
- Projects in the queue have been paused so as not to jeopardize grid reliability.
- The utilities have expressed the need to strengthen the grid before adding further intermittent renewable sources.
- These projects will be re-evaluated once the battery is in-service and the microgeneration/IPP study is complete.
- Acceptance to the Standing Offer Program does not guarantee funding for Projects through the Innovative Renewable Energy Initiative or that an Electricity Purchase Agreement will be signed.

Additional response

- The Independent Power Production policy is undergoing a review to consider how it can more closely align with the needs of the Yukon's energy system for dependable winter capacity.

Context—this may be an issue because:

- There is strong First Nations, municipal, and private sector interest in renewable energy and in government support for such initiatives.
- Some Independent Power Producers have expressed concerns about the high costs of interconnection.

Session Briefing Note

Fall 2024

IPP

Yukon Development
Corporation
Yukon Energy
Corporation

Background

- The Independent Power Production Policy includes three programs: the Standing Offer Program; Unsolicited Proposals; and Calls for Power.
- The Standing Offer Program has an annual limit of 40-gigawatt hours of electricity purchased by the utilities.

	Number of Projects	Combined Capacity (MW)	Combined Energy (GWh)	% of Program Cap (40 GWh)
EPAs Executed and Connected to the Grid	7	9.35	20.08	50%
EPAs Executed and Connected to Micro Grid Diesel	4	2.95	1.86	N/A
EPAs Executed and Not Connected	1	4.7	TBD	N/A
Studies in progress	3	6.00	11.18	28%
Total	15	23	33.12	78%

- The three studies in progress have been paused so as not to jeopardize grid reliability. They will be re-evaluated once the battery is in-service and the microgeneration/IPP study is complete.

Session Briefing Note**IPP**Yukon Development
CorporationYukon Energy
Corporation

- Oro Enterprises Ltd., the proponent of the proposed 2 MW New Era North Fork Hydro project in Dawson City, was the eleventh proponent in the queue. On January 29, 2024, Oro Enterprises Inc informed Yukon Energy that the North Fork Project was cancelled.
- [Fifteen](#) independent power production projects have signed Energy Purchase Agreements with their respective utilities. Of these, [twelve](#) are actively producing electricity.
 1. Solvest's [North Klondike](#) solar project - Whitehorse (active)
 2. Nomad Construction and Electrical Services' [Mt.Sima](#) solar project - Whitehorse (active)
 3. Vuntut Gwitchin Government's [Sree Vyaa](#) solar project - Old Crow (active)
 4. Klondike Development Organization's [Dome Road](#) solar project - Dawson City (active)
 5. Chu Níkwän Eagle Hill (Haeckel Hill) I (active)
 6. Chu Níkwän Eagle Hill (Haeckel Hill) II (active)
 7. White River First Nation's solar project - Beaver Creek (anticipated to be in service in 2025)
 8. Kluane First Nation's Nt'si wind project - Kluane Lake (anticipated to be in service in fall 2024)
 9. [Takhini IPP](#) -Arctic Pharm's solar project - Whitehorse (connected July 2024) and
 10. Sunergy's solar project - Haines Junction (active).

Session Briefing Note

IPP

Yukon Development
Corporation

Yukon Energy
Corporation

11. Beaver Creek Solar Project (connected August 2024)

12. Daylu Dena Council - Lower Post solar project (active)

- First Kaska is developing a significant solar renewable energy project to provide power to the Watson Lake micro-grid. [The Investing in Canada Infrastructure Program is contributing \\$18,000,000 towards the project.](#)
- Funding is available in 2024-2025 for prospective renewable energy projects through the Innovative Renewable Energy Initiative.
- First Kaska is developing a significant solar renewable energy project to provide power to the Watson Lake micro-grid. Canada's approval for the project to receive funds through the Arctic Energy Fund is pending approval.
- Funding is available in 2024-2025 for prospective renewable energy projects through the Innovative Renewable Energy Initiative.

Approved by:

Gary Gazankas
President, Yukon Development Corporation

November 20, 2024
Date approved

Chris Milner
President and CEO, Yukon Energy

November 20, 2024
Date approved

Fall 2024

Innovative Renewable Energy Initiative

Yukon Development Corporation

Recommended response:

- The Innovative Renewable Energy Initiative is accepting new applications for the 2024-2025 fiscal year. Proponents can reach out to Yukon Development Corporation with any questions.
- This year the Yukon Development Corporation is looking to fund projects that will be the Yukon's next legacy generation project.
- The Innovative Renewable Energy Initiative funds Yukon First Nation governments, municipalities and community-based organizations to identify and develop projects that generate electricity.
- We expect to receive applications from several First Nations located on the integrated grid and are hearing about proposals that would evaluate a range of renewable energy technologies. Further updates will be provided as applications are approved.
- Our government is striving to contribute over \$2 million in 2024-2025 and since its inception, the Yukon Development Corporation has invested \$7.6 million in this initiative.

Additional response:

- Interest in the Innovative Renewable Energy Initiative has grown each year since its inception in 2018.
- In the 2023-24 fiscal year YDC supported six projects across the territory and the fund is fully subscribed.
- This is in addition to the \$33.5 million that has been invested through the Arctic Energy Fund.

Fall 2024

Innovative Renewable Energy Initiative

Yukon Development Corporation

- The Innovative Renewable Energy Initiative is continually being reviewed to prioritize the projects which will assist in filling the Yukon's energy needs in a clean, but also affordable and reliable way.
-

Context—this may be an issue because:

- There is a Confidence and Supply Agreement commitment to provide \$5 million annually to support renewable energy projects.
-

Background:

- The Fund allows proponents to access up to \$500,000 per project.
- The fund is stage gated to allow projects in the feasibility to access \$150,000, design \$300,000, and construction/power production \$500,000.
- All applications are evaluated by the fund administrator and the review committee before the final decision to fund.
- To date, we have provided over \$7.6 million in project funding, including funds committed this year.

Innovative Renewable Energy Initiative

Yukon Development Corporation

Project Stage	Proponent	Project	Project Location	Funded
Feasibility	Solstice Clean Energy Cooperative	Community owned Solar	Whitehorse	\$41,250
	Chu Níkwān Limited Partnership	Mt Sumanik Wind	Whitehorse	\$98,971
	Eavor Yukon	Geothermal Drilling	Across Yukon	\$500,000
	Northern Vision Development	District Heating Biomass	Whitehorse	\$37,500
	Kluane Lake Research Station	Hydrogen Energy Storage Project	Kluane Lake Research Station	\$150,000
Design	Carcross Tagish Management Corporation	Carcross Solar	Carcross	\$300,000
	ORO Enterprises	Run of River Hydro	Dawson City	\$500,000
Construction	Nacho Nyak Dun Development Corporation	Snowline gold Solar	Mayo	\$265,995
	Fellhawk Enterprises	Portable off-grid solar	Dawson Mining Area	\$210,000
	Sunergy	Solar	Whitehorse	\$150,000
	Takhini Power	Solar	Whitehorse	\$500,000
	Kluane First Nation	Kluane N'tsi Wind Energy Project	Destruction Bay / Burwash Landing	\$1,000,000
	First Kaska	Watson Lake	Watson Lake	\$295,900

Fall 2024

Innovative Renewable Energy Initiative

Yukon Development Corporation

		Solar		
	Klondike Development Corporation	Dome road Solar	Dawson City	\$83,200
	Nomad Electrical and Contracting Services	Mount Sima Solar	Whitehorse	\$272,800
	Vuntut Gwitchin First Nation	Old Crow Solar	Old Crow	\$500,000
	Teslin Tlingit Council	Biomass District Heating System	Teslin	\$400,000
	Chu Níkwän Development Corporation	Haeckel Hill Wind	Whitehorse	\$485,000
	Yukon Energy Corporation	Demand Side Management	Yukon	\$500,000
	Dena Nezziddi Development Corporation	Off Grid Power Box	Ross River	\$300,000
	Copper Niisüü LP	Solar	Beaver Creek	\$1,500,000

Approved by:



President, Yukon Development Corporation

September 3, 2024

Date approved

Session Briefing Note

Public Utilities Act Regulation Changes for Our Clean Future

Justice

Recommended response:

- The Government of Yukon is working on changes to the *Public Utilities Act* and Regulations as part of implementing Our Clean Future, a strategy to address the climate crisis.
- These legislative changes support the overarching goals of reducing greenhouse gas emissions and increasing the supply of affordable, renewable energy in the Yukon.

Additional response:

- Changes to the Act and Regulations are being considered to better enable the Yukon Utilities Board to provide timely decisions on renewable energy projects and electricity rates being proposed by utilities.
- Changes to the Act and Regulations will support the important work of the Yukon Utilities Board and respect its role as the independent decision maker responsible for regulating electricity in the Yukon.

Context:

- The regulation of public utilities and climate change are matters of ongoing concern for Yukoners and are often subject to media attention in the territory.
- Our Clean Future action item E3 commits the Government of Yukon to “update the *Public Utilities Act* by 2025 to ensure an effective and efficient process for regulating electricity in Yukon.”
- In a decision released on October 18, 2022, the Yukon Utilities Board noted that it has no mandate in law to consider renewable energy requirements and called upon the Government of Yukon to provide guidance in legislation if it desires specific policy objectives to be supported by the Board.

Session Briefing Note***Public Utilities Act Regulation*
Changes for Our Clean Future**

Justice

- In July 2021, the Board released its report on the Battery Energy Storage System project stating it did not have authority to consider renewable energy and climate action goals associated with the project. These aspects of the project correspond with goals identified in Our Clean Future.

Background:**The *Public Utilities Act* and the Yukon Utilities Board**

- The Yukon Utilities Board (“the Board”) is an independent regulator of electricity that receives its mandate from the *Public Utilities Act*, its Regulations and Orders-in-Council. The Board’s responsibilities include, but are not limited to, the review of rate applications, plans for new projects and facilities, and energy supply contracts.
- In exercising these powers, the Board is currently limited to assessing the safety, reliability and affordability of electricity services to be provided, and issuing orders that are within the public interest.
- As the Yukon’s utilities regulator, the Board’s decisions can have significant impacts on all Yukoners, governments, businesses and other stakeholders.

Recent changes to the regulations to implement Our Clean Future

Certain actions in Our Clean Future require changes to Regulations under the *Public Utilities Act* to be implemented. In 2023 and 2024, this led to the creation of three new Regulations.

- A Regulation for electric vehicle charging stations was made to fulfil action item T7.
 - On January 25, 2024, the *Excluded Undertaking (Electric Vehicle Charging Stations) Regulation* [OIC 2024/20] came into effect. The new Regulation prescribes the sale of electricity by a First Nations government, municipality or private businesses from Level 2 and 3 electric vehicle charging stations as an “excluded undertaking”.
 - Without this exclusion anyone that is not a public utility would be unable to legally sell electricity in the form of vehicle charging within the territory.
- Two Regulations were made to help fulfil the goal that 93 per cent of electricity on the Yukon’s main grid will come from renewable sources.

Session Briefing Note**Public Utilities Act Regulation
Changes for Our Clean Future**

Justice

- OICs 2023/143 and 2023/144 came into force on November 28, 2023. The Regulations enable the purchase of electricity from vendors located in British Columbia:
 - Tlingit Homeland Energy Limited Partnership has finalized an agreement with Yukon Energy Corporation to provide electricity from the Atlin Hydroelectric Expansion Project beginning in 2025.
 - Daylu Dena Council intends to sell electricity from the Lower Post Solar Photovoltaic System Project to ATCO Electric Yukon, for use on the Watson Lake electrical grid.

Ongoing work on Our Clean Future action items

- The Department of Justice continues to review the *Public Utilities Act*, including the Board's responsibilities and the factors that the Board must consider when making decisions and recommendations. Work is currently focused on the following two areas that correspond to Our Clean Future action items.

Action item E1: the renewable portfolio standard

- Our Clean Future action E1 commits the Government of Yukon to develop legislation by 2023 that will require at least 93 per cent of the electricity generated on the Yukon Integrated System to come from renewable sources.
- This requirement, called the "Renewable Energy Portfolio," is similar to legislated requirements in other jurisdictions (British Columbia, Nova Scotia, Alberta and New Brunswick) that have implemented a Renewable Energy Portfolio within their provinces.
- Implementation of a similar standard in the Yukon would require changes to the *Public Utilities Act* and Regulations.

Action item E3: updates to the *Public Utilities Act*

- Our Clean Future action E3 commits the Government of Yukon to update the *Public Utilities Act* by 2025 to ensure an effective and efficient process for regulating electricity in the Yukon. A review of the legislation is underway to bring forward amendments that will fulfil this action item.
- As part of these efforts, in December 2022 the *Yukon Utilities Board Remuneration Regulation* [OIC 2022/211] came into force. This new Regulation sets out an updated

Session Briefing Note***Public Utilities Act Regulation
Changes for Our Clean Future***

Justice

system of pay for board members that is comparable to similar decision-making boards in the Yukon and in Canada. The Regulation follows a comprehensive review of the system of pay for utilities regulators in the Yukon and in other Canadian jurisdictions.

- The review supports other initiatives in Our Clean Future by enabling the Yukon Utilities Board to provide decisions more quickly and allowing it to consider whether a project will contribute to the Yukon's supply of affordable, renewable energy in decisions involving upcoming energy projects.

Approved by:Jeff Simons

A/Deputy Minister, Justice

2024-09-05

Date approved

**Session Briefing Note
Renewable Energy
Initiatives**

Energy, Mines and
Resources and Yukon
Development Corporation

Recommended response:

- We are investing in local renewable energy projects, creating business opportunities in the growing clean energy sector, and encouraging the purchase of green technologies.
- We have temporarily paused intake for the micro-generation program within the Whitehorse, Southern Lakes and Haines Junction areas to address utility concerns about integrating grid-tied solar generation.
- Small-scale solar systems have enjoyed strong popularity and there are currently more than 12 megawatts of direct current solar capacity installed, including over 9 megawatts through the micro-generation program.

Additional response:

- We are providing funding to building owners to install efficient electric heat pumps and biomass heating systems that will reduce greenhouse gas emissions from heating buildings.
- Yukoners are installing renewable energy generating systems at such a high rate that we achieved our micro-generation target of seven megawatts, seven years ahead of schedule.
- Energy Purchase Agreements have been signed by 10 independent power production (IPP) projects. Of these, seven are producing electricity.
- Energy storage solutions, such as Yukon Energy Corporation's grid battery, are important for integrating renewable energy.

Session Briefing Note Renewable Energy Initiatives

Energy, Mines and
Resources and Yukon
Development Corporation

Context — this may be an issue because:

- There is strong interest from First Nations governments, municipalities, the public and industry to install renewable energy systems with support from the government.
 - The micro-generation program was paused in December 2023 to allow the Government of Yukon and the utilities to study the impacts of distributed renewable generation on the grid.
-

Background:

Our Clean Future

- Our Clean Future commitments include increasing renewable electricity on the Yukon's main grid to 97 per cent (action E1) and setting a target of increasing renewable heating in the Yukon's buildings to 50 per cent by 2030. (See BN #33)

Renewable energy generation: Independent Power Production Policy

- Yukon Development Corporation's Innovative Renewable Energy Initiative provides financial and technical support to Yukon First Nations, municipalities, and community organizations for community-led renewable energy projects. (See BN #31)
- A four-megawatt wind project was installed and commissioned on Thāy Tāw (Haeckel Hill) earlier this year. The project is owned by Chu Níkwān.
- Three solar IPPs with a total of 1.75 megawatts_{DC} capacity are operating on the main grid.
- 940 kilowatts_{DC} of solar is operating in Old Crow, owned by Vuntut Gwitchin First Nation.
- Two solar IPPs representing a total of 4 megawatts_{DC} capacity are installed and expected to be commissioned in 2024.

Session Briefing Note Renewable Energy Initiatives

Energy, Mines and
Resources and Yukon
Development Corporation

Renewable energy generation: Micro-generation Program

- Our Clean Future (action E10) targets seven megawatts of installed renewable electricity capacity by 2030 through micro-generation. As of June 2024, there were 816 micro-generators connected to the Yukon utility grid which are generating 9.7 megawatts_{DC}. This is enough energy to supply about 1.9 per cent of the Yukon's five-year average annual electricity generation.
- Under the micro-generation program, eight First Nations governments and four First Nations Development Corporations have installed 120 renewable energy-generating systems on institutional, commercial and residential buildings throughout the Yukon.

Biomass

- We have supported nine large-scale commercial and institutional biomass heating projects in the territory. We are also aware of four large-scale biomass heating projects built independently from the Energy Branch's programs.
- Highways and Public Works is installing biomass heating systems in Government of Yukon buildings and is exploring the potential for biomass and other renewable energy systems in additional buildings. (See BN #55)

Geothermal resources

- The Government of Yukon is developing legislation to regulate geothermal energy development per Our Clean Future (action E11).
- Geological research is underway on the potential for geothermal as a renewable energy source for heating and electricity. (See BN #62)

Energy storage

- In 2022, the report, Meeting the Yukon's Electricity Needs through 2050, was completed by Navius Research.
- The report asserted that Yukon's electricity demand is expected to grow, that solar and wind are the most cost-effective options for meeting electricity demand, electricity storage is critical to high penetration of renewables, and that growing demand for electricity will increase generating costs.

**Session Briefing Note
Renewable Energy
Initiatives**

Energy, Mines and
Resources and Yukon
Development Corporation

- Yukon Energy Corporation is working towards completing the grid scale battery and will consider other energy storage solutions with independent power producers and through the integrated resource planning process. (See YDC/YEC BN #2)

Approved by:

Dennis Berry

September 5, 2024

Deputy Minister
Department of Energy, Mines and Resources

Date approved

Gary Gazankas

September 4, 2024

President and CEO
Yukon Development Corporation

Date approved

Recommended response:

- Upgrades and investments in all aspects of the Yukon's electricity system – generation, transmission, distribution and end-use – are critical to ensuring Yukoners have the power they need when and where they need it.
- Yukon Energy is currently completing a grid modernization study with ATCO Electric Yukon, the Yukon government and Yukon Development Corporation to further understand where these upgrades and investments are needed.
- The grid modernization study will identify distributed energy resource and non-wire alternative solutions to mitigate grid instability, transmission and distribution congestion, power quality issues, and peak demand increases associated with electrification and intermittent renewable energy penetration on the Yukon Integrated System.
- A strategy to modernize the grid is expected to be completed by spring 2025.

Context—this may be an issue because:

- People may question how t Yukon Energy will pay for these upgrades and what will get passed on to ratepayers.

Background:

- Yukon Development Corporation has entered into a \$250,000 Transfer Payment Agreement with Yukon Energy to advance this study.

About the Dawson Voltage Conversion Project:

- The Dawson Voltage Conversion Project is estimated to cost \$5.87 million.

- As the second fastest-growing community in the Yukon, the addition of people, homes and community infrastructure are all contributing factors to an increasing demand for electricity in Dawson.
- This, coupled with the switch from propane and heating oil to electricity for heating and transportation, means Yukon Energy expects to see demand for electricity in Dawson City double in the next five years.
- To make sure it can continue to provide electricity safely and reliably in Dawson, Yukon Energy is converting parts of its distribution system – power lines, poles, and transformers – from 4.2 kilovolts to 12.5 kilovolts.
- For Dawson residents, the benefits of voltage conversion include:
 - Access to better power quality and reliability thanks to the replacement of older infrastructure;
 - Planned and unplanned outages can be resolved faster; and
 - Opportunities to connect larger buildings to our system.
- Yukon Energy expects to complete the project by the end of 2025.

Other examples of recent system upgrades include:

- The completion of upgrades to Yukon Energy's Riverside substation that connects additional electricity to the Yukon grid.
- The completion of Dawson City's Three-Phase Loop Project that allows Yukon Energy to shift electrical load around to sections of Dawson City when necessary, building reliability and robustness into the system, positioning Yukon Energy to better respond to issues, and providing room for growth in the electrical system.
- The completion of upgrades to the Callison substation near Dawson City so that the corporation is better positioned to manage the increase in electrical demand in Dawson City and less likely to experience failure of critical protection and control systems and prolonged outages over the winter.

Approved by:

Chris Milner

President and CEO, Yukon Energy

September 3, 2024

Date approved

Recommended response:

- Yukon Energy is advancing multiple critical upgrades to the Mayo Generating Station anticipated to cost over \$150 million over the next five years.
- These upgrades include repairs to the penstock, Wareham spillway, slope stabilization, refurbishment of the Mayo A plant and replacement of the surge chamber.
- Yukon Energy will continue to work with the First Nation of Na-Cho Nyak Dun to communicate its plans and opportunities for involvement, as well as with local stakeholders.

Additional response:

If asked about the current maintenance at the MGS:

- Repairs to the penstock are nearly complete and both Mayo A and B are back online.

If asked about the Wareham spillway:

- Yukon Energy completed temporary repairs to the spillway in the spring of 2024, however permanent repairs are still required. Refurbishment of the existing spillway and installation of an auxiliary spillway is progressing rapidly.
- At this time, there is no risk to public safety. Delaying repairs is not an option.

If asked about the Mayo A plant work and slope stabilization:

- Built in 1951, the Mayo A plant and its components are reaching end-of-life.
- The plant needs to be refurbished or replaced and the surge chamber needs to be replaced to ensure the safety of Yukon Energy staff and the environment, particularly in light of instability in the surrounding slopes.

If asked about relicensing of the Mayo Generating Station:

- Yukon Energy submitted its Project Proposal to Yukon Environmental and Socio-economic Assessment Board for its Mayo Generating Station water use license renewal in July of 2024.
- Yukon Energy has applied for a five-year license term to allow for the assessment and completion of all the repair work needed at the Mayo Generating Station.

Context—this may be an issue because:

- Climate change impacts, like rockslides, continue to pose a risk to Yukon Energy infrastructure.
- Questions may be asked about the state of Yukon Energy's assets and whether sufficient investments are being made to keep assets in good operational order.

Background:

Component	Cost	Planned completion
Wareham spillway	\$60 million	2027
<ul style="list-style-type: none">• Mayo A slope stabilization and surge chamber replacement• Mayo A plant upgrades	\$125 to \$150 million	<ul style="list-style-type: none">• slope stabilization & surge chamber – 2026• Mayo A upgrades - 2029
Mayo Lake Control Structure	TBD	Design to start in 2029

Note: Based on Class 5 estimates

Session Briefing Note

TAB # 24

Fall 2024

Mayo Generating Station

Yukon Energy Corp

Approved by:

Chris Milner_____

November 20, 2024

President and CEO, Yukon Energy

Date approved

Fall 2024

Haeckel Hill

Yukon Development
Corporation

Recommended response:

- The 4 megawatts project was connected in early winter 2024 and started providing power to the Yukon Integrated Grid as of March 8, 2024.
- Yukon Development Corporation provided the project with \$13.07 million from the Arctic Energy Fund.
- Wind is important to the energy mix as it can generate power during the cold Yukon winters.

Additional response:

- We extend our congratulations to Chu Niikwan Development Corporation and the Kwanl'in Dunn First Nation for their leadership on this Project and look forward to exploring future partnerships with them.
- For example, through the Innovative Renewable Energy Initiative, the Yukon Development Corporation has provided Chu Niikwan Development Corporation with \$98,971 to further explore wind resources on Mount Sumanik.

Context—this may be an issue because:

- The Project is highly visible in Whitehorse and there has been significant public interest in the Project.

Session Briefing Note

TAB #26

Fall 2024

Haeckel Hill

Yukon Development
Corporation

Background:

- The total project cost is \$29,808,500 with \$14,894,330 of funding coming from federal funders of CANNOR and Clean Energy for Rural and Remote Communities (Natural Resources Canada).
- The Haeckel Hill Project received \$485,000 from the Yukon Development Corporation's Innovative Renewable Energy Initiative.
- Through Innovative Renewable Energy Initiative, \$98,971 has been provided to Chu Niikwan to undertake wind studies.

Approved by:



President, Yukon Development Corporation

September 4, 2024

Date approved

Fall 2024

Sādeḡ Solar / Watson Lake Solar

Yukon Development Corporation

Recommended response:

- When the Sādeḡ Solar project comes online in 2026, the Yukon Development Corporation will have provided financial resources to support the development of renewable energy projects in every Yukon off-grid community.
- The project is a 4.7 megawatts DC solar system connected to a 2.85 megawatts AC battery and will be capable of providing up to 68% of the community's annual power needs, while reducing greenhouse gas emissions by approximately 200,000 to 300,000 tonnes.
- The estimated total project is \$26.6 million, of which Arctic Energy Fund is providing up to \$18 million.

Context—this may be an issue because:

- The project represents the largest expenditure in renewable energy development by the Yukon Development Corporation in 2024/25.

Background:

- The proponent is First Kaska, the development corporation of Liard First Nation.
- The project has been in the process of applying to the Arctic Energy Fund since 2022. The Application was submitted in November of 2023.
- The Arctic Energy Fund program requirements include a provision that on-grid (defined as on the Yukon Integrated System) projects must have commenced construction prior to September 30, 2023.

Approved by:



President, Yukon Development Corporation

September 4, 2024

Date

Fall 2024

Federal Policies and Programs

Yukon Development Corporation

Recommended response:

- With the Investing in Canada Infrastructure Program and Arctic Energy Fund now fully allocated, the Yukon Development Corporation is actively raising awareness with federal funders about the Yukon's energy needs.

Context—this may be an issue because:

- Federal funding programs that have been relied on have been fully allocated.
- Both ATCO Electric Yukon and Yukon Energy have been approved by the Yukon Utilities Board to increase the rates charged for electricity.

Background:

- Federal Budget 2023 introduced a new funding model for clean energy projects that includes a mixture of regulatory, debt, and grant tools. YDC is working to raise awareness with relevant federal departments about how the approach can be implemented in the Yukon.
- Smart Renewables and Electrification Pathways Program
 - The SREPs program received an addition \$2.9 billion in federal budget 2023 and is undergoing a redesign process, which is anticipated to be completed in fall 2024.
 - YDC has partnered with SREPs to fund independent power production projects, such as:
 - Haeckel Hill
 - Atlin Hydroelectric Expansion Project
 - Sādeḡ Initiative (Watson Lake Solar Project).
- Canadian Infrastructure Bank
 - The Canadian Infrastructure Bank provides low-cost debt to critical infrastructure projects.

Fall 2024

Federal Policies and Programs

Yukon Development Corporation

- They have committed up to \$80 million for the Atlin Hydroelectric Expansion Project.
- Clean Energy Investment Tax Credits
 - Federal Budget 2023 announced five tax credits related to clean energy.
 - The Clean Electricity Investment Tax Credit will provide a 15% refundable tax credit for non-taxable entities investing in: wind, solar, small modular reactors, abated natural gas-fired electricity generation, batteries, pumped hydroelectric storage, transmission of electricity between provinces and territories, and biomass.
 - It is anticipated to apply to both new projects and the refurbishment of existing facilities will be eligible for projects between March 28, 2023, and March 31, 2034.
 - For Yukon Energy Corporation to access the Clean Electricity Investment Tax Credit Yukon must commit that savings will be passed onto ratepayers, as well as a commitment to achieve a net-zero electricity sector by 2035.
- Canada Electricity Advisory Council
 - The Canada Electricity Advisory Council recently released their final report that highlights 28 key recommendations to the Government of Canada to ensure electricity systems can continue to decarbonize while expanding capacity to help support Canada's transition to net-zero.
 - The recommendations centered on four foundational themes to ensure Canada's electrical system can effectively transition to net zero; that electrical infrastructure can be developed rapidly, that electrical systems remain affordable and cost-competitive to Canadians, that electrical systems remain reliable, and ensuring Indigenous participation is embraced and supported.
 - Many of the recommendations touch on substantial topics for the Yukon, including further supports for inter-regional grid infrastructure, and ensuring northern remote and indigenous communities are substantively included and supported alongside provincial counterparts within the net-zero transition.

Fall 2024

Federal Policies and Programs

Yukon Development
Corporation

Approved by:



President, Yukon Development Corporation

August 30, 2024

Date approved

Fall 2024

Accomplishments - YDC

Yukon Development Corporation

2024-2025

- Entered into a Transfer Payment Agreement with First Kaska for a solar project in Watson Lake and achieving the goal of funding a project in every off-grid community.
- The Atlin Hydroelectric Expansion Project reached an important milestone of a Joint Clan Resolution from the Taku River Tlingit First Nation in support of project.

2023-2024

- Supported the Council of Yukon First Nation's energy summits in fall 2023, where YDC shared a Discussion Paper on how Yukon First Nations could participate in the energy economy in the Yukon.
- Signed four projects under the Innovative Renewable Energy Initiatives.
- Worked with federal funding partners to fill the funding gap of the Kluane N'tsi Wind Project.
- Supported Demand Side Management Programs through Yukon Energy.
- Provided funding to Dena Nezziddi Development Corporation, Ross River First Nations' Development Corporation, to purchase portable renewable energy power boxes that can provide renewable energy to off-grid mining locations.
- Enabled Northern Vision Development to study biomass district heating systems.
- Continued to implement Yukon government's rebate programs aimed at making life more affordable for Yukoners: the Interim Electrical Rebate and the Inflation Relief Rebate.

Fall 2024

Accomplishments - YDC

Yukon Development Corporation

- Continued to work with federal and provincial partners, as well as the Proponent, to advance the Atlin Hydroelectric Expansion Project.

2022-2023

- Brought in the new Inflation Relief Rebate over seven months with a total spend of around \$7.5 million.

2021/22

- In partnership with the Proponent (Taku Homeland Energy Limited Partnership) Secured federal commitments towards the Atlin Hydroelectric Expansion Project.

Renewable Energy Projects Supported by Yukon Development Corporation (2018-Present)

Table 1: Arctic Energy Fund Projects

Project	Location	Funded
Haeckel Hill Wind Project	Whitehorse	\$13.07 million
Kluane N'tsi Wind Project	Burwash Landing	\$ 2 million
Dome Road Solar Project	Dawson	\$486,000

Table 2: Investing in Canada Infrastructure Program

Project	Location	Funded
Battery Energy Storage System	Whitehorse	\$16.5 million
Mayo-McQuesten Transmission Line Upgrade		\$ 22.7 million

Table 3: Innovative Renewable Energy Program Projects

Project Stage	Proponent	Project	Project Location	Funded
Feasibility	Solstice Clean Energy Cooperative	Community owned Solar	Whitehorse	\$41,250
	Eavor Yukon	Geothermal Drilling	Across Yukon	\$500,000
	Northern Vision Development	District Heating Biomass	Whitehorse	\$37,500
	Kluane Lake Research Station	Hydrogen Energy Storage Project	Kluane Lake Research Station	\$150,000
Design	Carcross Tagish Management Corporation	Carcross Solar	Carcross	\$300,000
	ORO Enterprises	Run of River Hydro	Dawson City	\$500,000
Construction	Nacho Nyak Dun Development Corporation	Snowline gold Solar	Mayo	\$265,995
	Fellhawk Enterprises	Portable off-grid solar	Dawson Mining Area	\$210,000
	Sunergy	Solar	Whitehorse	\$150,000
	Takhini Power	Solar	Whitehorse	\$150,000
	Kluane First Nation	Kluane N'tsi Wind Energy Project	Destruction Bay / Burwash Landing	\$1,000,000

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Fall 2024

Accomplishments - YDC

Yukon Development
Corporation

	First Kaska	Watson Lake Solar	Watson Lake	\$295,900
	Klondike Development Corporation	Dome road Solar	Dawson City	\$83,200
	Nomad Electrical and Contracting Services	Mount Sima Solar	Whitehorse	\$272,800
	Vuntut Gwitchin First Nation	Old Crow Solar	Old Crow	\$500,000
	Teslin Tlingit Council	Biomass District Heating System	Teslin	\$400,000
	Chu Níkwän Development Corporation	Haeckel Hill Wind	Whitehorse	\$85,000
	Yukon Energy Corporation	Demand Side Management	Yukon	\$500,000
	Dena Nezziddi Development Corporation	Off Grid Power Box	Ross River	\$300,000
	Copper Niisüü LP	Solar	Beaver Creek	\$1,500,000

Approved by:



President, Yukon Development Corporation

September 3, 2024

Date approved

- Yukon Energy is committed to advancing projects and partnerships that provide Yukoners with safe, sustainable, reliable and affordable electricity.
- So far, in 2024, accomplishments include the:
 - Successful implementation of Peak Smart Home, with over 300 Yukoners applying for the program and exceeding the program's year one goal of 0.1 megawatts of installed capacity.
 - Signing of Peak Smart Home Participation Agreements with the Ta'an Kwäch'än Council and the First Nation of Na-Cho Nyäk Dun.
 - Submission of the Mayo Generating Station Water Relicensing Project Proposal to YESAB.
 - The release of Yukon Energy's first Climate Change Adaptation Plan, which outlines how the corporation will improve its resilience to key risks from climate change and extreme weather.
 - Connection of 4 MW of wind power on Haeckel Hill and two additional independently owned solar farms to the grid.
 - Prevention of power outages when the Aishihik plant was taken offline in the winter due to ice at the intake.
 - Advancement of Yukon Energy's system wide asset management program.
 - System improvements in Dawson City allowing for growth.
- In 2023, Yukon Energy's accomplishments included:
 - Submission of the Whitehorse Rapids Generating Station Water Relicensing Project Proposal to YESAB.
 - Completed a major overhaul on one of the generators at the Aishihik Generating Station, a facility that is critical to providing winter energy.

- Generated 91% renewable electricity.
- Completed upgrades to its Riverside substation that connects additional electricity to the Yukon grid so that Yukoners can use it.
- Completed Dawson City's Three-Phase Loop Project that allows Yukon Energy to shift electrical load around to sections of Dawson City when necessary, building reliability and robustness into the system, positioning Yukon Energy to better respond to issues, and providing room for growth in the electrical system.
- Completed upgrades to the Callison substation near Dawson City so that the corporation is better positioned to manage the increase in electrical demand in Dawson City and less likely to experience failure of critical protection and control systems and prolonged outages over the winter.
- In 2022, Yukon Energy's accomplishments included:
 - Generated 92% renewable electricity.
 - Secured a 5-year water use licence for its Aishihik hydro facility.
 - Signed four Electricity Purchase Agreements with Independent Power Producers as part of Yukon government's Standing Offer Program and connected two additional independently owned solar projects to the grid.
 - Completed the Peak Smart Pilot Program to evaluate the use of smart devices to shift energy demand to off-peak hours.
 - Developed Terms of Reference for a new Environmental, Social and Governance Committee by the Yukon Energy's Board as well as a Projects Committee to help the corporation hold itself accountable for its environmental, social and corporate impacts, and to have oversight over its large capital investments.

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Fall 2024

Accomplishments - YEC

Yukon Energy Corp

- Established a Diversity, Equity, Inclusion and Belonging Committee (DEIB) with the goal of balancing demographic and cognitive diversity in Yukon Energy's workplace to improve employee experiences.
- Yukon Energy completed its LNG plant in 2015, and the third turbine was installed in 2018.

Approved by:

Chris Milner

September 4, 2024

President and CEO, Yukon Energy

Date approved

Fall 2024

Financial - Debt

Yukon Development Corporation

Recommended response:

- The Government of Yukon pre-approves all external debt acquired by the Yukon Development Corporation and Yukon Energy Corporation that would impact the government's borrowing limit.
- Yukon Energy's borrowing enables the corporation to invest in new generation and transmission infrastructure, while maintaining existing infrastructure, ensuring reliable, affordable and renewable energy for Yukoners.
- The breakdown of all long-term debt is publicly available for review and can be found in Note 14 of the Yukon Development Corporation's consolidated financial statements, which are also included in Part III of the Yukon's Public Accounts.

Additional Response

New Borrowing

- The Government of Yukon approved an increase of \$27.254 million dollars of long-term debt for Yukon Energy in 2024.
- The future \$27.254 million long-term debt will be repaid with money earned from the sale of electricity.

Line of Credit

- The line of credit is an interim financing tool used by Yukon Energy Corporation for energy related capital projects.
- The Government of Yukon approved Yukon Energy to maintain their line of credit at \$100 million until December 2025.

Fall 2024

Financial - Debt

Yukon Development Corporation

- The actual amount used by Yukon Energy on the line of credit at December 31, 2023 is \$47.7 million.
- The Yukon Development Corporation has access to two lines of credit totaling \$15.0 million. There is no amount owing on either line of credit at this time.

Interest Rates

- Interest rates on the long-term loans with the bank are fixed rates set by the market at the time the money is borrowed.
- The Interest rate on the line of credit is variable and will change as the banks prime lending rate changes.
- Yukon Energy's interest rate on its line of credit is the bank prime rate less 0.75%.
- The Yukon Development Corporation's interest rate on its line of credit # 1 is bank prime rate less 0.75% and bank prime rate less 0.85% on the second line.

Public Accounts vs Consolidated Financial Statements

- Long-term debt reported in the Yukon Development Corporation's consolidated financial statements differs from Yukon's Public Accounts due to different fiscal year-ends and the timing of debt payments that the Corporation makes to Yukon government.

Fall 2024

Financial - Debt

Yukon Development Corporation

Context—this may be an issue because:

- Borrowings associated with the Yukon Development Corporation/Yukon Energy represents the majority of debt currently held by Yukon government.
- The Opposition has raised concerns about how Yukon Energy will finance new energy generation capacity and has asked specific questions about the Orders-in-Councils approving the 2023 borrowing.

Background:

- Yukon Development Corporation's long-term debt at December 31, 2023, as reported in the Corporation's Consolidated Financial Statements, was \$226.1 million. This includes the current portion of the debt of \$4.4 million as well as the non-current portion of \$221.7 million.
- YDC's long-term debt at March 31, 2023, as reported on Page 62 of Yukon's 2022-23 Public Accounts, was \$221.3 million.
- In 2023, Yukon Development Corporation borrowed \$6,425,000 and lent it to Yukon Energy.
- In 2023, a \$1 million debenture was completed between Yukon Energy and Champagne and Aishihik First Nations.
- The long-term debt enables Yukon Energy to maintain a 60/40 debt-to-equity ratio.
- In 2023 there were two O.I.C.'s passed and one of the O.I.C.s repealed related to YDC and YEC borrowing:
 - O.I.C. 2023-145 authorizes YDC to borrow \$6,425,000 and lend it to YEC. This authorization was for YEC to meet its debt-to-equity target ratio of 60/40.
 - O.I.C. 2023-141 was passed to authorize YDC to undertake borrowing and lend it to YEC. This O.I.C. does not exempt YDC from requiring Management Board approval to undertake public borrowing.
 - O.I.C. 1990/076 was repealed because it was redundant. The *Financial Administration Act* already applied to Yukon Energy as it related to public borrowings.

Fall 2024

Financial - Debt

Yukon Development Corporation

- This year, Yukon Development Corporation has been approved to borrow \$27.254 million dollars and relend it to Yukon Energy Corporation. The authorizing legislation and actual borrowing instruments are currently underway and expected to be finalized in early fall.
- YEC has a permanent line of credit of \$10.0 million with a temporary increase to \$100.0 million approved until December 30, 2025.
- Credit facility limits for YDC and YEC are currently:
 - YEC \$100.0 million
 - YDC \$15.0 million
 - Total \$115.0 million
- YDC does not currently have any of its credit facilities in use. YEC uses its line of credit as construction financing until the assets are put into use. YEC's actual draw on the line of credit will vary depending on progress on capital projects.
- Listed is a summary of YDC's consolidated long-term debt as reported at December 31, 2023 (see below).

Fall 2024

Financial - Debt

Yukon Development Corporation

Issuer	Maturity	Interest Rate	Amount ('000s)
Bond	June 29, 2040	5.0%	\$98,666
Toronto Dominion	Sept. 28, 2035	2.06%	\$6,987
Toronto Dominion	Aug. 23, 2043	3.40%	\$20,135
Toronto Dominion	July 14, 2044	2.64%	\$5,877
Toronto Dominion	Nov. 4, 2045	2.06%	\$4,333
Toronto Dominion	Apr. 30, 2046	2.88%	\$7,079
Toronto Dominion	Sept. 1, 2052	4.07%	\$17,598
Toronto Dominion	Dec. 21, 2048	4.10%	\$6,425
Tr'ondëk Hwëch'in First Nation	Dec. 31, 2049	7.79%	\$3,250
First Nation of Nacho Nyak Dun	Dec. 31, 2094	9.66%	\$3,072
Chu Niikwan Limited Partnership	Dec. 31, 2040	5.60%	\$17,328
Champagne and Aishihik First Nations	July 31, 2048	Actual final rate of return on equity	\$1,000

- All of the governments borrowing is held by government corporations. On March 31, 2023, those balances were as follows:

Corporation	Amount
Yukon Development Corporation	\$205,112,000
Yukon Hospital Corporation	\$23,612,000
Yukon Housing Corporation	\$791,000
Yukon University	\$966,000
Accrued Interest and Capital Lease	\$2,999,000
Total	\$233,480,000

Approved by:



President, Yukon Development Corporation

September 25, 2024

Date approved

Financial – Minto and Victoria Gold

Yukon Energy Corp

Recommended response:

If asked about Victoria Gold:

- On July 23, Yukon Energy filed a lien against Victoria Gold for an unpaid electricity bill that totaled just under \$700 thousand.
- Yukon Energy will seek to recover those funds through the legal process.
- The court has granted Yukon government's request to appoint a receiver over the company.

If asked about Minto:

- Yukon Energy filed a lien against Minto Mine for unpaid electricity bills that totaled just over \$4 million.
- Yukon Energy is seeking to recover these funds through the legal process.
- Electricity continues to be provided to the mine site ensuring its environmental integrity is maintained.

Additional response:

- The power line that delivers electricity to the Eagle Gold Mine was damaged by a wildfire this summer but is now back in service.
- Victoria Gold owns the power line and paid for repairs to bring the power line back into service.

Second Additional Response:

- The current closure of the Eagle mine will not affect the number of diesel generators Yukon Energy needs to rent each year, as mines are disconnected from the grid during an emergency.
- Having large industrial users connected to the grid is a good thing because:

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Fall 2024

Financial – Minto and Victoria Gold

Yukon Energy Corp

- As a major power user, they help make future rate increases smaller than they would be without them; and
- By being connected to the grid they are able to reduce their carbon footprint by having access to clean hydro power.

Context—this may be an issue because:

- Yukon Energy may not be able to recover the money it is owed from Victoria Gold or Minto Mine.
- Yukon Energy and rate payers may be impacted financially should the mine not reopen.

Background:

- [As of September 26, 2024, there are no additional liens filed by Yukon Energy against Victoria Gold.](#)
- Yukon Energy cannot provide details on the amount of electricity that individuals customers use, such as mining companies, because the volume is private, customer information.
- Yukon Energy charges interest on overdue accounts and is exploring its ability to require security deposits.

Approved by:

Chris Milner

President & CEO, Yukon Energy

September 26, 2024

Date approved

Fall 2024

Financial - Position

Yukon Development Corporation

Recommended response:

- The Auditor General reported that the Yukon Development Corporation's 2023 Consolidated Financial Statements presented fairly, in all material respects, the consolidated financial position of the Yukon Development Corporation as of December 31, 2023, in accordance with International Financial Reporting Standards.
- The consolidated entity continues to be a profitable business reporting comprehensive income of \$2.3 million for the year ended December 31, 2023.
- Total equity (the Government's investment) was \$224.4 million, at December 31, 2023.

Additional response:

- The business continues to be self-sustaining and generally, reinvests its profits in capital projects. No profits are paid out to the Yukon government.
- Certain programs are funded by the government. In calendar year 2023, those programs included:
 - Inflation Relief Rebate - \$5.5 million
 - Interim Electrical Rebate - \$3.4 million
 - Interest subsidy - \$2.4 million
 - Innovative Energy Renewable Initiatives \$1.8 million
 - Atlin Hydroelectric Expansion Project - \$0.8 million

Fall 2024

Financial - Position

Yukon Development Corporation

Context—this may be an issue because:

- YDC's 2023 consolidated financial statements and Yukon's 2023-24 Public Accounts will both be tabled during the 2024 fall legislative session.
- Opposition parties often compare Yukon Development Corporation's financial statements to the Public Accounts.

Background:

- Yukon Development Corporation is the sole shareholder of Yukon Energy.
- The Yukon Utilities Board is responsible for setting electricity rates in the Yukon. This includes setting a rate of return (cost of debt and return on equity) for Yukon Energy.
- The Yukon Utilities Board approved a cost of debt of 3.31 per cent for 2023 and 3.43 per cent for 2024.
- The Yukon Utilities Board approved a return on equity of 9.50 per cent for 2023 and 2024.
- Profits that are paid from Yukon Energy to Yukon Development Corporation are normally reinvested back into Yukon Energy.

Year	Dividend Paid by Yukon Energy ('000s)	Reinvested into Yukon Energy ('000s)
2023	\$27,260	\$27,260
2022	\$11,500	\$10,000
2021	\$0	0
2020	\$0	0
2019	\$2,871	\$3,959

Approved by:



President, Yukon Development Corporation

August 30, 2024

Date approved

Fall 2024

General - ATCO

Yukon Development
Corporation

Recommended response:

- ATCO Electric Yukon is a privately owned company and is regulated through the *Public Utilities Act*.
- The oversight from the Yukon Utilities Board includes setting earnings targets and rates through General Rate Applications.
- ATCO Electric Yukon distributes to homes and businesses the electricity that is generated by Yukon Energy, except in Watson Lake, Burwash Landing, Destruction Bay, Beaver Creek, and Old Crow, where ATCO Electric Yukon also generates electricity using thermal generators.
- Yukon government works closely with ATCO Electric Yukon to implement the electrification goals in *Our Clean Future*.

Additional response:

- The Yukon government will continue to work with utilities to ensure the interests of the Yukon's rate payers are considered and protected.
- As ATCO Electric Yukon is a private entity additional questions related to their business should be posed to the company directly.

Context—this may be an issue because:

- The Yukon Utilities Board has issued its Board Orders for ATCO Electric Yukon's General Rate Application with the Yukon Utilities Board.
- The New Democratic Party has consistently raised the issue of ATCO Electric Yukon's over-earnings.

Background:

- For information on ATCO's General Rate Application see Tab #8.

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Fall 2024

General - ATCO

Yukon Development
Corporation

Approved by:



President, Yukon Development Corporation

August 30, 2024

Date approved

Recommended response:

- Yukon Energy's mission is to provide Yukoners with sustainable, reliable, and affordable electricity.
- Over the long-term (25 year) average, over 90% of the electricity Yukon Energy generates each year comes from renewable resources, primarily hydro.
- As demand for electricity continues to grow in the Yukon, and the way people use electricity changes, Yukon Energy is committed to making ongoing investments to build a reliable and resilient electricity system.

Additional response:

Reliable means:

- Investing in dependable sources of electricity that Yukon Energy can rely on during the winter. This is essential to providing Yukoners with energy security.
- Supporting the safe and reliable integration of intermittent renewables like solar and wind with thermal generation and batteries for storage and stability.
- Future-proofing its infrastructure to better manage for climate change in the future.

Affordable means:

- Pursuing significant and coordinated financial investments in the electricity system to keep rates affordable for Yukoners.
- Exploring strategic investment opportunities with Yukon First Nations in the energy sector.

Clean means:

- Continuing to explore projects that add firm sources of renewable, dependable winter capacity to Yukon's grid and advancing the goals set out in *Our Clean Future*.

Context—this may be an issue because:

- The delays to some projects like the Atlin Hydro Expansion Project and Moon Lake Pumped Storage Project have attracted public and Opposition attention.
- Demands on the system are growing faster than renewable energy projects can be identified and constructed due to technical, financial, permitting and social licence complexity.

Background:

- Yukon Energy provides power to most Yukoners indirectly, through ATCO Electric Yukon, who buys wholesale power from the corporation.
- Yukon Energy directly serves approximately 2,300 residential and business customers, most of whom live in and around Dawson City, Mayo and Faro, and two industrial customers across the territory.

Approved by:

Chris Milner

President and CEO, Yukon Energy

September 4, 2024

Date approved

Fall 2024

Governance

Yukon Development
Corporation

Recommended Response:

- To help ensure that Yukon receives the best value for its investment in electricity infrastructure, improving subsidiary governance and accountability is an ongoing activity for the Yukon Development Corporation and Yukon Energy.
- The annual protocol and shareholder letter of expectations between the Yukon government and Yukon Development Corporation is being updated annually as required by the Yukon Development Corporation Act to ensure alignment of corporate objectives with those of government.

Additional Response:

- Yukon Development Corporation continues to work on its governance responsibilities as we strive to be a model for subsidiary oversight in Yukon.
 - Bilateral meetings between the corporations and trilateral meetings with the Minister are conducted on a regular basis to facilitate internal communications.
-

Context—this may be an issue because:

- Yukon Development Corporation is governed by a Board of Directors, as a Government Corporation, which raises questions about where authorities for decision are shared across the Minister-in-Executive Council, the Board, staff, and the subsidiary.

Approved by:



President, Yukon Development Corporation

August 30, 2024

Date approved

Recommended response:

- Yukon Energy is updating its resource plan, as some projects in the Ten-Year Renewable Electricity Plan are not viable to move forward under current conditions.
- When planning for Yukon Energy's energy future, Yukon Energy needs to consider projects that can be implemented in the immediate to short-term, while also planning for significant new energy generation projects in the long-term.
- These short-term actions may include wind and battery to reliably provide winter energy, with thermal resources such as diesel and Liquefied Natural Gas available in the background for emergencies and grid stability.
- In the longer-term, emerging technologies and larger projects can be considered.
- These long-term actions may include seasonal storage options, a grid connection with British Columbia, and emerging technologies that show promise for the future but are not market ready today.
- The process for developing both short and long-term actions will include discussions with all levels of government, as well as Yukoners more broadly.

If asked about the status of the Advisory Group on Energy Demand and Supply Studies:

- The Yukon Development Corporation is supporting two studies that are jointly being undertaken with ATCO Electric Yukon, Yukon Energy, and the Department of Energy, Mines, and Resources, which will help to better understand the planning parameters related to:

Resource planning

Yukon Energy Corp

- The safe limits for the integration of variable sources of energy (like solar and wind) on the Yukon's main grid; and
- Modernization of the Yukon's main grid to move away from the physically intensive management system of a grid built in the 1950s to a grid that is able to be managed more dynamically through the integration of technology.

Context—this may be an issue because:

- During the Spring sitting, it was stated that the Electricity Supply Plan would be ready in summer 2024 and the Integrated Resource Plan ready by the end of 2025.

Background:

- Yukon Energy expects the short-term action plan (previously Electricity Supply Plan) [to be ready by Q2 2025](#) (previously anticipated to be summer 2024) after it completes its annual business planning cycle.
- The update to the long-term Resource Plan is expected to be ready [in 2026](#).
- The variable energy sources integration study is anticipated to cost \$175,000 and will be ready December 2024.
- The grid modernization study is anticipated to cost \$250,000 and will be ready in 2025.

Approved by:

Chris Milner

President and CEO, Yukon Energy

November 13, 2024

Date approved

Recommended response:

If asked about Yukon Energy:

- Yukon Energy is updating its strategic plan.
- The plan will serve as Yukon Energy's roadmap to meeting government targets while ensuring Yukoners have reliable and affordable electricity.
- The energy industry is undergoing a transition and the way people see electricity is changing—today, people see electricity as the catalyst to a better, cleaner future.
- To achieve this future, Yukon Energy's roadmap will be based on:
 - Speed – Yukon Energy needs to rapidly expand its clean electricity infrastructure to meet growing demand.
 - Affordability – actions within the plan must be affordable for Yukoners.
 - Reliability – our electricity system must be reliable as people continue to rely on electricity as a source of heat.
 - First Nations participation – First Nations are key partners in Yukon Energy's projects and programs.
 - Technology innovation – seamless sharing of information and open innovation models to accelerate technological advancements.
 - System-approach – system-wide planning to guide resource allocation.

If asked about Yukon Development Corporation:

- Yukon Development Corporation is updating its strategic plan and anticipates completing the exercise by early 2025.

- The YDC Strategic Plan will seek to build out how YDC will accomplish its objectives, as set out in its guiding legislation to:
 - assure a continuing and adequate supply of energy in the Yukon in a manner consistent with sustainable development
 - alleviate the effects of any energy shortage that may occur in the Yukon; and
 - promote the establishment, development and operation within the Yukon of industries or undertakings that are, by their nature, energy dependent through the provision of cost-effective energy or energy-related infrastructure.

Context—this may be an issue because:

- The strategic plan is not the same as Yukon Energy's resource plan.
- YDC's strategic plan has not been updated since 2021.

Background

- Yukon Energy expects to release its new strategic plan by the end of this year.
- Yukon Energy's resource plan will explore the resources we need to achieve our energy future, while the strategic plan will provide guidance on how Yukon Energy makes its decisions to achieve this future.

Approved by:

Gary Gazankas

September 4, 2024

President and CEO, Yukon Development Corporation

Chris Milner

September 4, 2024

President and CEO, Yukon Energy

Date approved

Recommended response:

- Yukoners continue to face challenges across the housing continuum, which include:
 - Homelessness and a lack of access to housing with services;
 - A lack of affordable rental supply; and
 - High house prices and mortgage rates.
- Exceptionally high building costs and high borrowing costs due to interest rates are creating significant challenges for both Yukon Housing Corporation and partners.
- The corporation's five-year strategic plan, Creating Home, will help transform affordable housing service delivery through the adoption of a more client-centred and collaborative approach that integrates support and leads to better outcomes for Yukoners.

Additional response:

- Across governments, we are working with stakeholders to develop new land parcels, increase housing stock while also responding to the findings of the 2022 Office of the Auditor General Report on Housing.
 - We continue to advance projects that provide new housing to meet Yukoners' needs.
-

Context:

- The combination of high rental costs, limited affordable housing options and difficulties in securing mortgages, continues to be a challenge for many Yukoners.
-

Background:

General housing information in the Yukon

Homelessness

- At least 197 people were experiencing homelessness in the 2023 Whitehorse Point-in-Time Count. This included: 58% men; 38 % female; 4% other.

Rental housing

- According to the Census 2021, within the renter population in Whitehorse:
-

- 22.7% of households live in unaffordable housing;¹
- 17.9% live in unsuitable housing; and
- 10.5% live in inadequate housing.

Rents and vacancy rate, Yukon (YBS)

	October 2022	April 2023	October 2023	April 2024
Median rent (all types)	\$1,300	\$1,325	\$1,350	\$1,420
Vacancy rate (all types)	1.9%	2.2%	1.8%	1.8%

Housing construction

- Labour shortages contribute to higher construction costs and are leading to lower residential construction output.²

Residential building construction, Yukon (YBS)

	January-June 2023	January-June 2024
# residential permits issued*	518	329 (-35% decrease)
\$ value of new permits*	\$59.4 million	\$47.6 million (-20% decrease)

*In addition to new dwelling units, residential permits include renovations, garages, and additions. The totals do not include permits issued for plumbing or stoves.

House prices

- Yukon Bureau of Statistics reports that there were 84 real estate transactions recorded in Whitehorse in the first quarter of 2024 – a decrease of 35 compared to the first quarter of 2023 (119).
- While average prices for single-detached homes in Q1-2024 had fallen relative to Q1-2022 and Q1-2023, condo prices for Q1-2024 had increased 13% since Q1-2023.

Average House Prices, Whitehorse (YBS)

Residence type	Whitehorse Average House Prices		
	2023 Q1	2024 Q1	% Change
Single-detached house	\$635,000	\$629,500	-0.9%
Condominium	\$403,800	\$456,400	13.0%

¹ Housing costs are considered “unaffordable” when they exceed 30% of household income.

² Northern Housing Report, 2023

Yukon Housing Corporation Approach to Address Housing Issues

Creating Home – YHC’s new strategic plan

- Creating Home draws on a recognized framework intended to re-design and transform health care delivery, called the Quadruple Aim, and adapts it to housing.
- This innovative approach to housing delivery will lead to better outcomes by:
 - Improving the client and provider experiences;
 - Strengthening community wellbeing; and
 - Contributing to a sustainable future.
- Creating Home represents a significant shift in how Yukon Housing Corporation operates and delivers housing services.

Capital builds recently completed by YHC or partners:

- Since 2022, 10 YHC-led projects have been completed, creating a total of 77 new residential units; and
- 8 major partnership projects have been completed through the Housing Initiatives Fund, creating over 276 new units.

YHC projects completed 2022-2024

YHC Project	Construction Start Date	Construction Completion Date	Number of Units
401 Jeckell Street, Whitehorse	May 2020	December 2022	47
RHI affordable triplex, Whitehorse	June 2021	June 2022	3
RHI affordable triplex, Watson Lake	June 2021	March 2022	3
RHI affordable triplex, Mayo	June 2021	March 2022	3
Accessible duplex, Mayo	July 2022	June 2023	2
Accessible duplex, Carmacks	August 2022	July 2023	2
RRDC staff trailer, Ross River	June 2023	December 2023	3
10-plex*, Old Crow (*Asset owned by HPW and managed by YHC)	Summer 2021	January 2024	10
Accessible duplex, Faro	Summer 2023	Spring 2024	2
Affordable duplex, Dawson City	August 2022	June 2024	2
Total units completed (YHC projects):			77

Major partnership projects completed 2022-2024

Project (Lead)	Construction Completion Date	Number of Units
Bringing Citizens Home, Whitehorse (Champagne and Aishihik FN)	Summer 2022	20
Cornerstone multi-use building, Whitehorse (Opportunities Yukon)	July 2022	53
Normandy Living seniors supportive residence, Whitehorse (KBC)	December 2022	84
Boreal Commons apartments, Whitehorse (536754 Yukon Inc)	January 2023	87
Affordable modular housing, Mayo (Na-Cho Nyäk Dun FN)	March 2023	8
Jëje Zho 12-bed men's shelter, Dawson City (Tr'ondëk Hwëch'in FN)	July 2023	8
VGFN elders complex, Old Crow (Vuntut Gwitchin FN)	January 2024	9
VGFN mobile homes, Old Crow (Vuntut Gwitchin FN)	March 2024	7
Total units completed (major partnerships):		276

Underway or upcoming housing capital projects for YHC and partners

YHC – Underway (113 units):

- 10-unit Supported Living Residence in Watson Lake
- 34-unit residential building with 8 accessible units in Dawson (former Korbo Apartments)
- 45-unit residential building, which includes 9 accessible units in Whitehorse (former Ryder Apartments)
- 6 staff units across three duplexes in Burwash Landing
- 18 two-bedroom units – purchase of 190 Olive May Way in Whitehorse

YHC – Upcoming (37+ units):

Community housing	Staff housing
<ul style="list-style-type: none"> • 10 units in Mayo • 6-plex in Teslin • 6-plex in Carcross • 6-plex Haines Junction • Accessible triplex in Whitehorse • Accessible duplex in Ross River 	<ul style="list-style-type: none"> • Accessible duplex in Destruction Bay • Accessible duplex in Pelly Crossing

Major partnership projects underway (299 units):

Project	Anticipated Start Date	Anticipated Completion Date	Number of Units
Safe at Home Society's permanent supportive housing project "The Hearth"	March 2024	Spring 2026	67
Safe at Home Society's temporary housing project at 408 Alexander	May 2024	October 2024	17
DDDC's affordable rental project "Winter Crossing"	Spring 2024	Spring 2026	105
Northern Community Land Trust Society's "Project 1096"	June 2024	December 2025	32
HIF-7 funding recipients	Spring 2024	Fall 2026	78
Total units			299

Rent subsidy programs to make life more affordable for renters and seniors

- July 2023, the corporation acquired an additional 16 units for lease from Normandy, for a total of 26 units to lease to clients through its rent supplement program.
- Since 2020, the corporation has supported over 300 households pay rent through the Canada-Yukon Housing Benefit. As of September 2024, 170 clients are receiving monthly support.

Support for homeowners

- March 8, the corporation announced the Canada-Yukon Housing Benefit Homeowner Stream for homeowners in severe core housing need³ with annual household incomes under \$100,000:
 - Clients received a one-time payment of \$1,000.00 for Whitehorse homeowners and \$1,500.00 for homeowners living outside of Whitehorse.
- June 2023, the Yukon government launched an \$8.25 million flood recovery program for residents and businesses affected by flooding in the Klondike Valley.
- April 2023, Yukon Housing Corporation launched the expanded Yukon Home Ownership Program to provide qualified households with mortgages to build or buy their homes across the territory, including Whitehorse.
- The program was recently discontinued due to low uptake and the corporation is currently exploring alternative program options to support homeownership.

³ Severe core housing need is spending 50% or more of a household's income on shelter costs.

- In 2020, Yukon Housing Corporation launched the revised Home Repair Program to support low to moderate-income Yukon homeowners to remain in their homes and age in place by providing funding to address mobility requirements, repairs or core housing needs.

Support for new residential land development

September 2024	<p>As part of the Government of Yukon's ongoing commitment to increase land and housing availability and support business growth, new residential and industrial lots were released in partnership with municipalities and Yukon First Nations.</p> <ul style="list-style-type: none"> seven residential lots in Haines Junction, Mayo and Watson Lake; and three industrial lots in Teslin and Haines Junction <p>This was the sixth lot release this year and is a direct result of the Government of Yukon's historic investment in land development. Through the lotteries and tenders process, the Government of Yukon has released 685 lots across the territory since 2021 and is on track to release over 1,000 lots by 2026 (TAB #59).</p>
August 2024	<p>As part of its efforts to work in collaboration with municipalities and Yukon First Nations governments to address housing and business space needs across the territory, the Government of Yukon released 33 new residential lots across the Yukon.</p> <ul style="list-style-type: none"> Twelve lots were made available in Carmacks and Faro 21 country residential lots were made available in the Lone Tree subdivision north of Teslin.
June 2023	Government of Yukon partnered with the Government of Canada and the City of Dawson to develop four new residential lots in Dawson.
February 2023	120 lots, including single family, multi-family and townhouse lots in Whistle Bend made available through public lottery.
March 2023	Government of Yukon partnered with Liard First Nation on developing 43 new residential lots on Frances Avenue in Watson Lake.
March 2023	74 residential lots in Logan, Mayo and in Whitehorse's Whistle Bend made available through public lottery.
November 2022	Signed a loan agreement with Kwanlin Dün First Nation's arm's-length development corporation, Chu Níkwān Limited Partnership, for a new

	residential land development project at Copper Ridge West in Whitehorse, the first large-scale residential land development on settlement land in the Yukon. An amended loan agreement was signed August 2023 with Chu Níkwän for the same development.
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25-09-24

Date approved

ENV #20 / EMR #34 / YDC #40

Session Briefing Note

Fall 2024

Our Clean Future Implementation

Environment and Energy,
Mines and Resources

Recommended response:

- We recognize the urgency of the climate emergency and launched Our Clean Future in September 2020 to map our route forward.
- The Government of Yukon continues to make significant progress on implementing Our Clean Future.
- In 2023, we announced the addition of 42 new actions to help us reach our climate goals, which brings the total number of climate actions to 178.
- These new actions are a product of the important work of the Yukon Climate Leadership Council, the Yukon Youth Panel on Climate Change, Navius Research and the findings in the Climate Risk Assessment report.
- We continue to track our progress on goals, targets and actions. Information on our progress was most recently published in [November in the 2023 Our Clean Future Annual Report](#) and on the Our Clean Future website.
- Since releasing Our Clean Future in 2020, the Government of Yukon has completed [68](#) Our Clean Future actions, [105](#) are in progress or ongoing and [5](#) have not yet been started.

Additional response:

- As we continue to address climate change, it is important for us to look back on our progress as we diligently work towards our objectives.
- Under Our Clean Future, the government is focused on ensuring the Yukon is highly resilient to climate change impacts by 2030. (See ENV BN #21)

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Session Briefing Note

Fall 2024

Our Clean Future Implementation

Environment and Energy,
Mines and Resources

- This year, we:
 - Completed flood maps for the Southern Lakes region, [Teslin](#) and Carmacks. Flood hazard mapping for Old Crow and the City of Dawson and the Klondike Valley are expected to be completed in 2025. [A flood hazard mapping study for Mayo is also underway and will be completed in 2026.](#)
 - Worked with municipalities and First Nations governments to finalize the Community Wildfire Protection Plans in Faro, Haines Junction, Teslin, the [City of Dawson and Whitehorse](#). [Plans for Beaver Creek, Mayo, Old Crow, Watson Lake, Destruction Bay and Burwash Landing are underway.](#)
 - Advanced climate change preparedness by initiating development of a permafrost monitoring system for key public buildings, and guidelines to address climate hazards in major infrastructure projects.
 - Established a geohazard mapping program to understand risks from climate change to the Yukon's transportation corridors.
 - Completed flood risk mapping for all transportation corridors in the Yukon.
- We are committed to efforts to reduce greenhouse gas emissions and we support Yukoners in the transition to cleaner transportation options and energy efficient homes and buildings.
- This year, we:
 - Began providing rebates for medium-duty electric vehicles.
 - Passed an electric vehicle charging station regulation under the *Public Utilities Act* to allow First Nation governments, private

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Fall 2024

Our Clean Future Implementation

Environment and Energy,
Mines and Resources

businesses and municipalities to sell electricity through electric vehicle charging stations.

- Installed electric vehicle chargers in every road-accessible community in the Yukon, enabling zero-emissions travel throughout the territory. 19 fast charging stations are now operational throughout the territory, and one new Level 2 charger in Swift River. (See EMR BN #30)
- Since 2020, we have provided rebates for 518 energy efficient new homes, exceeding our 2030 target of 500.

Third response:

- Existing actions put us on track to reduce the Yukon's emissions by 30 per cent by 2030. However, there is still significant work required to meet our target reduction of 45 per cent by 2030.
- One of the major drivers of emissions is population – more people means more cars on the road and more homes to heat.
- However, as the population of the Yukon continues to grow, we aren't seeing the rate of emissions increase that we would expect.
- We are seeing lower emissions per Yukoner than we saw in 2010.
- This is a promising sign that the emissions intensity of everyday life for Yukoners may be starting to decrease.
- We passed legislation to set a target of a 45 per cent reduction in mining sector emissions per unit of production by 2035.
- We will continue to build on Our Clean Future as we learn more and implement new actions. This will be reflected in future annual reports.

ENV #20 / EMR #34 / YDC #40**Session Briefing Note****Fall 2024****Our Clean Future
Implementation**Environment and Energy,
Mines and Resources

- We will continue to find opportunities to reach our targets as we work with experts, stakeholders and partner governments across the territory and beyond.

Context — this may be an issue because:

- Climate change and the government's progress in delivering on Our Clean Future commitments is of interest to Yukoners.

Background:

- Our Clean Future was released on September 14, 2020, and now has 178 actions, of which 136 are original actions and 42 are new actions. These actions seek to reduce greenhouse gas emissions and support the Yukon to be highly resilient to the impacts of climate change by 2030.
- The Government of Yukon reports annually on progress for the implementation of Our Clean Future. Four Annual Reports have been published to date, with the latest report released on [November 12, 2024](#) (capturing [2023](#) data).
- The Our Clean Future website was launched in December 2023, which shows the government's commitments and successes towards fighting climate change.

Approved by:

Dennis Berry

November 19, 2024

Deputy Minister, Environment

Date approved

Paul Moore

November 13, 2024

Deputy Minister, Energy, Mines and Resources

Date approved

**Session Briefing Note
Supplementary Overview
(Corporate Note)**

Fall 2024

Finance

Recommended response:

- The 2024-25 Supplementary Estimates No. 1 forecasts an overall gross increase of \$150.1 million in O&M spending, with an offsetting increase of \$20.7 million in recoveries. The net increase in new O&M spending is forecast at \$129.4 million.
- Capital spending for Supplementary Estimates No. 1 reflects a slight overall gross decrease of \$299,000 in spending and a \$4.2 million decrease in recoveries, resulting in a net increase in spending of \$3.9 million. These adjustments are mainly the result of updated cashflow forecasts for various projects.
- Revenues are projected to decrease by \$8.8 million, primarily due to a revenue forecast update from Canada which revised the projection for Corporate Income Tax downward by \$6.7 million as well as a reduction in royalty payments from Victoria Gold of \$2.5 million. This is partially offset by a \$350,000 increase for driver licenses due to recently increased fees.
- The Yukon government continues to maintain a surplus. As part of the 2024-25 Main Estimates, the Yukon government budgeted for a \$50 million contingency to address emergency pressures. \$50 million of the contingency has been applied towards the pressures identified in the Supplementary Estimates No. 1.
- The use of the contingency fund allows the government to present a revised surplus of \$75.4 million as part of these Supplementary Estimates. Changes in the Supplementary Estimates result in a revised year-end net debt of \$530.4 million

**Session Briefing Note
Supplementary Overview
(Corporate Note)**

Fall 2024

Finance

Additional response:

- The Supplementary Estimates reflect an O&M increase mainly for:
 - \$50 million for payments to the Receiver for environmental protection work at the Eagle Gold Mine;
 - \$34 million for pressures in Insured Health reflecting support for the wellbeing of Yukoners;
 - \$21 million for wildland firefighting costs in response to the significant fire season experienced in the territory and which helped ensure the safety of Yukoners; and
 - \$10 million for various Yukon Hospital Corporation funding requirements including the added O&M costs of converting ten beds at the Thompson Centre for Acute Care use.
- For the Supplementary Estimates, updates to the 2024-25 Capital Plan have resulted in a decreased allocation of \$299,000. Notable changes include:
 - \$1.9 million towards the completion of the Mental Wellness Unit at Whitehorse General Hospital;
 - \$1.9 million for long-term and acute care bed optimization at Whistle Bend Place and Whitehorse General Hospital;
 - Decrease of \$3.2 million due to cash flow revisions for the construction of the school in Burwash Landing;
 - Decrease of \$600 thousand for the creation of new campsites aligning costs with the revised project timeline.

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Supplementary Overview
(Corporate Note)**

Fall 2024

Finance

- There is an increase of 46.6 in FTEs (Full Time Equivalents) for Supplementary Estimates No. 1. These are primarily to hire new long-term care staff in support of additional care beds at Whistle Bend Place, for the Aging with Dignity initiative and new FTEs for schools including teachers, clerical and custodial staff.
- There is also an increase in FTEs related to a transfer in the Capital Planning Office from Highways and Public Works capital budget to Finance in the O&M budget.

Corporate approach to fiscal sustainability:

- We continue to work to ensure that government spending is allocated in a way that meets key priorities and long-term goals.
- To meet these priorities, departments continue to follow established processes to ensure that funding is distributed efficiently and effectively across public services and programs.
- This means regular financial scrutiny is applied to decision-making and that new requests for funding are approved in a financially sustainable way, while continuing to provide the services that Yukoners expect.
- This coordinated approach to funding ensures that government can respond to new and evolving challenges, while managing resources responsibly.

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Supplementary Overview
(Corporate Note)**

Fall 2024

Finance

Context—this may be an issue because:

- The 2024-25 Second Appropriation Act is tabled in the fall session and will be the subject of debate.

Background:

- Supplementary Estimates are used annually by a government to account for unforeseen spending at the time of tabling the annual Budget. It is common to have one or two spending updates throughout the fiscal year.
- They are tabled during the fall and spring sessions, debated and voted on in the legislature and provide departments with increased spending authority for O&M and Capital for the current fiscal year.

Approved by:

Jessica Schultz

September 19, 2024

Deputy Minister, Finance

Date approved

**Truth and Reconciliation Commission
– Update on Calls to Action**

Executive Council
Office

Recommended response:

- Reconciliation is an ongoing process and a shared responsibility of all governments and individuals in the Yukon.
- Our government is deeply committed to advancing reconciliation through collaboration and partnership with Indigenous governments and groups.
- We continue to share our progress toward addressing the Truth and Reconciliation Commission's Calls to Action, most recently through a progress report and Pathways magazine both released in Fall 2023.
- The magazine and report provided an update on the actions being taken across the Yukon government and in collaboration with First Nation governments and groups in areas including child welfare, health, education and justice.

Additional response:

- The Government of Yukon and Yukon First Nation governments are leaders in demonstrating a collaborative approach to reconciliation.
- While there is still work to do, targeted investments are resulting in meaningful change and creating better programs and services for all Yukoners.
- We will continue our collaborative work to implement and report on the Calls to Action, including through work on the Yukon Forum joint priorities and by implementing the *Putting People First* recommendations.

Context—this may be an issue because:

- The 2023 mandate letters include a commitment to fulfill the Truth and Reconciliation Commission's (TRC's) Calls to Action.
- The 2023 Confidence and Supply Agreement includes a commitment to working with Yukon First Nations to continue to implement the recommendations of the Truth and Reconciliation Commission through targeted investments.

Truth and Reconciliation Commission – Update on Calls to Action

Executive Council
Office

Background:

- The TRC report *Honouring the Truth, Reconciling for the Future* was released in 2015 and contains 94 Calls to Action on redressing the harms resulting from Residential Schools and creating better relations between the federal, provincial and territorial governments and Indigenous Peoples. There are 32 Calls to Action that relate directly to YG.
- The Government of Yukon and Yukon First Nations (YFNs) collaborated on addressing the Calls to Action under the 2017 Yukon Forum Joint Priority Action Plan and through other reconciliation initiatives, such as supporting the important work of the YFN-led Yukon Residential Schools and Missing Children Project.
- The Government of Yukon has taken additional steps to address the Calls to Action, including:
 - establishing the position of Assistant Deputy Minister of First Nations Initiatives at the Department of Education, signing an agreement to establish a YFN School Board and entering into education agreements with all YFNs (speaks to Calls 7 and 10 directed to the federal government);
 - supporting Indigenous athletes and the North American Indigenous Games (Call 88);
 - implementing the YFN Procurement Policy (relates to Call 92) and the Representative Public Service Plan: *Breaking Trail Together* (relates to Call 7);
 - working with YFNs and Yukon Indigenous women's groups to implement the Yukon's *Missing and Murdered Indigenous Women, Girls and 2-Spirit+ People Strategy* (MMIWG2S+ Strategy) (relates to Call 41);
 - participating at the Trilateral Table on the Wellbeing of YFN Children and Families to address gaps for culturally appropriate parenting programs (Call 5); and
 - receiving input from YFNs on Health and Social Services programming through the Mental Health Advisory Committee (relates to Call 19).

Approved by:

Justin Ferbey

2024 08 20

Deputy Minister, Executive Council Office

Date

Session Briefing Note
Inflation and Affordability
(Corporate Note)

Recommended response:

- Inflation has continued to improve in recent months, but Yukon households continue to see their budgets stretched by elevated prices, with lower-income households often feeling the worst effects.
- The Government of Yukon continues to monitor inflation and its impact on Yukoners, so that we can take steps to ease the burden.
- As inflationary pressures continue to lessen, efforts to make life more affordable for Yukoners and to help industry are shifting from short-term assistance to measures with the potential to provide longer-term benefits, such as actions to improve home affordability.

Additional response:

- The Main Estimates for this year has continued to build on existing supports for Yukoners by making sure they can access essential services at prices they can afford.
- Budget 2024-25 included investments to advance affordable housing projects across the territory. From the Housing First Project in Watson Lake to the recently awarded replacement of the Ryder Apartments in Whitehorse, the Yukon government is taking action to build more affordable homes for Yukoners, especially those in vulnerable situations.

Session Briefing Note
Inflation and Affordability
(Corporate Note)

- There is also over \$42 million in continued funding for early learning and childcare. This includes funding for the universal childcare program, which has reduced childcare fees to less than \$10 per day, on average.
- We are also making life more affordable and leading the nation with our Yukon-wide dental program, which has \$5.4 million in continued funding for 2024-25.
- To make sure that more people have the option of staying home when they are sick, the Temporary Paid Sick Leave was extended.
- We also extended the Interim Electrical Rebate, which provides welcome relief from power bills to Yukoners across the territory.
- In addition to items included in the 2024-25 Main Estimates, additional initiatives in many departments are continuing to assist Yukoners with the cost of living.
- The Department of Community Services, for example, is developing a program that will see free transit passes provided to non-governmental organizations, vulnerable populations and youth.
- The Department of Health and Social Services will also provide additional funding of \$777,000 for Safe at Home to provide temporary supportive housing at 408 Alexander Street.

Session Briefing Note

Inflation and Affordability (Corporate Note)

- These are just a few examples of the many programs and initiatives that continue to support Yukoners.

Third response

- The Government of Yukon has also remained responsive to higher inflation in recent years through its various grants and subsidies, which are indexed to inflation. These include:
 - Subsidies for medical travel
 - The Yukon Child Benefit
 - Social Assistance Payments
 - Student Financial Assistance
 - Seniors' benefits
 - The Pioneer Utility grant
 - The Comprehensive Municipal Grant Regulation
 - Residential rent caps
- The Yukon's minimum wage is also responsive to price changes, as its annual change is tied to inflation in the previous year.
- After growing 6.8 per cent in 2023, the minimum wage increased a further 4.9 per cent to \$17.59 per hour on April 1, 2024.
- The Yukon's minimum wage is the second highest wage in Canada, behind only Nunavut's minimum wage of \$19.00 per hour.

Session Briefing Note
Inflation and Affordability
(Corporate Note)

Fall 2024

Finance

- These increases also contribute towards the strong earnings growth we continue to see in the territory, where average weekly earnings grew 6.1 per cent over the first half of 2024. This is the strongest growth in the country.

Context—this may be an issue because:

- Inflation has fallen from historical highs, but Yukoners are still dealing with higher prices for a variety of goods and services following a lengthy period of elevated inflation.
- The moderation of inflationary pressures that began to take hold late last year has continued into 2024. Growth in the Whitehorse Consumer Price Index (CPI) has been much lower in every month in 2024, and inflation in recent months has been near or below the historic average of 2 per cent.

Background:**Inflation – Recent performance and outlook**

- Following ten increases in the overnight rate since March 2022, the Bank of Canada has made three 25 basis point cuts in 2024, with the overnight rate dropping from 5.0 per cent to 4.25 per cent. Expectations of further rate cuts this year and in 2025, could further reduce pressure on shelter prices as mortgage rates decline.

Session Briefing Note

Inflation and Affordability (Corporate Note)

Fall 2024

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- Both locally and nationally, price pressures have lessened, and inflation continues to trend towards historic norms. The current outlook for the Whitehorse CPI reflects expectations of a return to 'normal' levels of inflation, with the inflation forecast of 2 per cent in 2024, much improved from 4.9 per cent in 2023 and 6.8 per cent in 2022. Beyond 2024, annual inflation is expected to remain at 2 per cent over the remainder of the five-year forecast.

PROGRAMS AND OTHER MEASURES THAT SUPPORT AFFORDABILITY

Five-Year Capital Plan projects supporting housing affordability (Yukon Housing Corporation)

- The **Old Crow 10-Plex Mixed-Use Housing** facility is complete and opened in April 2024.
- Construction of the **10-plex Housing First Project in Watson Lake** began in the summer of 2023. It is scheduled to be completed in the fall 2024.
- Construction of the **Faro and Dawson Duplex** projects started in summer 2023 and is now complete.
- Groundwork began at the old **Ryder Apartments in Whitehorse** in September 2024 and we are aiming for completion in spring 2026. When completed, the new complex is anticipated to deliver over 45 new units.

Universal Child Care Program (Education)

- Universal child care is available to all Yukon families using licensed child care spaces. The universal child care program has reduced fees to less than \$10 per day, on average, for families across the Yukon.

Session Briefing Note

Inflation and Affordability

(Corporate Note)

Dental Care program (Health and Social Services)

- The Yukon's Dental Program was launched in 2023 and provides \$1,300 per year in dental benefits to Yukoners without dental coverage. The program will cover dental treatments necessary to relieve pain and infection, prevent disease, treat cavities, and restore chewing and social function. It will also offer full coverage for preventive care, such as routine dental cleaning.

Paid sick leave program (Economic Development)

- On April 1, 2023, the Department of Economic Development launched the Paid Sick Leave Rebate. The program runs for two 12-month blocks:
 - April 1, 2023 to March 31, 2024; and
 - April 1, 2024 to March 31, 2025
- The Paid Sick Leave Rebate is a temporary program that offers up to 40 hours of paid sick leave to employees and self-employed Yukoners that earn less than the average private-sector wage of \$33.94/hour. The program includes all illnesses (and injuries not covered by any other Act, benefit, or program). The program is available to employees regardless of whether their employer offers paid sick leave, though employees must use all paid sick leave available to them through their employer before they are eligible for the Paid Sick Leave Rebate. The program is still in effect and will run until March 31, 2025.

Yukon Child Benefit (Health and Social Services and Finance)

- The Yukon Child Benefit provides monthly payments to modest and low-income households who have children under 18. The maximum benefit per child is now tied to inflation, effective the 2023–24 benefit year.

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Inflation and Affordability

(Corporate Note)

Fall 2024

Finance

Yukon Seniors' Income Supplement (Health and Social Services)

- The Yukon Seniors' Income Supplement provides a monthly income supplement for eligible Yukoner senior's receiving Old Age Security (OAS) and the Guaranteed Income Supplement (GIS) from the federal government. This amount is adjusted for inflation in October, each year.

Inflation Relief Rebate and Interim Electrical Rebate (Yukon Development Corporation)

- The Inflation Relief Rebate, a \$50 rebate that was automatically applied to electrical customers' bills, was a temporary measure to address inflation. The Inflation Relief Rebate was most recently applied to all ATCO Electric Yukon and Yukon Energy bills for November and December 2023 and January 2024.
- The Interim Electrical Rebate continues to provide residential electrical customers with a maximum rebate of \$22.62 per month based on the electricity they consume, up to 1,000 kilowatt hours (up to \$271.44 per year). This affordability measure will continue until March 2025.

Social Assistance Review (Health and Social Services)

- Health and Social Services is undertaking a review of the Yukon's Social Assistance rates to inform options to improve the delivery of the program and ensure it is meeting the needs of program clients.
- While the review is underway, the department is providing a \$100 monthly increase to eligible Social Assistance recipients.

Out of Home Childcare Increases (Health and Social Services)

- To offset inflationary cost of living increases and provide sufficient financial resources to meet the needs of children placed in their care, Health and Social Services provided an ongoing 10 per cent increase to monthly payments to caregivers of children in out of home care in 2023-24, on top of the annual indexed increase.

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Inflation and Affordability (Corporate Note)

- Combined, this amounted to a 16.46 per cent rate increase for community and extended family caregivers. The new rates are as follows:
 - Whitehorse: \$46.86 per day
 - Rural Communities: \$50.16 per day
 - Old Crow: \$86.40 per day
- Rates are indexed annually to the Whitehorse Consumer Price Index, with an increase of 2.4% scheduled to take effect in October 2024.

Supportive Housing (Health and Social Services)

- \$777,000 for Safe at Home will go towards establishing temporary supportive housing at 408 Alexander Street.

Canada-Yukon Housing Benefit Rental Subsidy (Yukon Housing Corporation)

- The Canada-Yukon Housing Benefit offers a rental subsidy for low-to-moderate income renters.

Comprehensive Municipal Grant (Community Services)

- The Comprehensive Municipal Grant is how the Government of Yukon directly funds municipal governments. This core funding supplements municipal resources and pays for vital services, like the provision of fresh drinking water, the collection of solid waste and recycling, recreation programming and other services as required under the Municipal Act and other legislation.
- The high inflation seen in 2022 (6.8 per cent) increased the grant payments provided in April 2024. This resulted in a \$2.3 million increase for Yukon municipalities with overall contributions of over \$24.5 million for the 2024-25 fiscal year.

Session Briefing Note

Inflation and Affordability (Corporate Note)

Energy retrofits and funding to improve efficiency and offset costs (Energy, Mines and Resources)

- Energy efficiency rebate programs are available for the transportation sector, renewable heating sector, and the construction sector focusing on high efficiency buildings.
- For existing homes, the Energy Branch offers the Good Energy rebate program for high performance heating systems and upgrades to thermal enclosures including insulation and windows, and high-performance new homes. Taking these measures will save homeowners money on their energy costs.
- Between January 1, 2018, and June 30, 2024, 286 high-performance retrofits to residential, commercial and institutional buildings have been completed across the territory.
- Innovative programs like the Better Buildings Program that offer up-front funding, combined with our Good Energy rebates, make energy retrofits more accessible and affordable for Yukoners.

Approved by:

Jessica Schultz

September 25, 2024

Deputy Minister
Department of Finance

Date Approved

Session Briefing Note

Carbon Pricing (Corporate Note)

Environment & Finance

Recommended response:

- Since its introduction in 2019, the Government of Yukon has been supportive of carbon pricing as a policy to help us reduce emissions and move toward our ambitious climate targets.
- We take a balanced approach to carbon pricing in the territory, one which considers the need to reduce emissions as well as the fair return of carbon pricing revenues to Yukoners.
- The Yukon's carbon rebate is revenue neutral. We are committed to both reducing carbon emissions in the territory and to returning all the federal government's revenues to Yukoners.
- Returning proceeds to individuals, municipal governments, Yukon First Nations, businesses, and mining operations is a critical part of our approach to carbon pricing in the Yukon.
- We are returning 100 per cent of the federal carbon levy to these five rebate groups who receive more, on average, than they pay in carbon pricing levies.

Additional response:

- The departments of Environment and Finance work together to coordinate with our federal counterparts to assess the implications of carbon pricing in the territory and to ensure the needs of the territory are recognized in national policy.
- This includes retaining control over how revenues are distributed back to Yukon individuals, municipal governments, Yukon First Nations and businesses.

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- It also includes excluding the carbon price from electricity generation and aviation, in recognition of the unique constraints of our northern jurisdiction.

Third response:

- Carbon pricing is just one tool in our toolkit to address the climate emergency.
- We continue to implement Our Clean Future to reduce the Yukon's greenhouse gas emissions and, more broadly, to reduce the impact of the carbon levy on Yukoners.
- In December of last year, we announced 42 new actions under Our Clean Future as part of the third Our Clean Future annual report outlining the progress we have made on the strategy.
- Although we have made progress on many of our commitments, there is still significant work required to meet our target of reducing our emissions by 45 per cent by 2030.
- Ensuring that we utilize every policy lever at our disposal, including carbon pricing, is essential to meet our goals.
- Together, we are finding solutions to reduce our emissions while strengthening our economy and supporting our industry partners.

Context—this may be an issue because:

- Carbon pricing remains a highly sensitive topic across the country with many provinces and territories voicing their own perspective on how they would like to see this pricing mechanism handled moving forward.

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- In October 2023, the federal government announced a temporary 3-year exemption for home-heating oil from the federal carbon price, with the intention of helping Atlantic Canada in particular.
 - While Atlantic Canada welcomed this change, the exemption has received considerable backlash. Most provincial governments (except for British Columbia) have called for extending the carbon price exemption to all home-heating fuels (including natural gas).
 - Critics also argued that the exemption undermines the credibility of the carbon tax and may weaken the incentives to switch to lower carbon heating options.
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Background:

- The federal Draft Regulations Amending the Fuel Charge Regulations stipulate that all heating oil will be exempt from the fuel charge starting November 8, 2023, until April 2027.
- This means that light fuel oil consumption in all buildings, including residential, commercial, and institutional, will be exempt from the fuel charge.
- Nearly half (49.2% in 2022) of Yukon homes use oil-based heating.
- In Yukon, individuals, businesses, placer/quartz mining operations, Yukon First Nations governments and municipal governments are all eligible for a rebate for carbon pricing.
- Individuals who live outside of Whitehorse receive a remote supplement, which was recently increased from 10 to 20% (and is now in line with the federal remote supplement for backstop jurisdictions including Alberta, Manitoba, Ontario, and Saskatchewan).
- On September 12, 2024, British Columbia's Premier David Eby announced that if the federal government were to remove the carbon pricing backstop, then British Columbia would end the carbon levy in the province.
- British Columbia has had its own carbon pricing system in place since 2008.

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- British Columbia and the Yukon were the remaining supporters of carbon pricing as a climate change policy, with all other provinces publicly opposing the federal system. In late 2023, the newly elected Premier of the Northwest Territories also called for an exemption from the federal carbon levy for the territory.
- To date, Canada has been firm on granting no exception to the backstop.

Approved by:

Dennis Berry

October 2, 2024

A/Deputy Minister of Environment

Date approved

Jessica Schultz

October 1, 2024

Deputy Minister of Finance

Date approved

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Recommended response:

- The Government of Yukon recognizes the seriousness of the heap leach failure that occurred at the Eagle Gold mine on June 24 and is treating the response as a government priority that reflects the urgency of the situation.
- Our priorities are to ensure the health and wellbeing of Yukoners and to protect the environment.
- An Independent Review Board has been established to investigate the heap leach failure that occurred at the Eagle Gold mine. Three highly qualified experts are on the Independent Review Board. The objective of the investigation is to determine the causes of the heap leach facility failure.
- We are committed to working with the First Nation of Nacho Nyak Dun to develop remediation strategies for the failure. A joint team of technical experts hired by the Government of Yukon and the First Nation meet on a regular basis to inform our actions.
- For the most up to date information on the situation at Eagle Gold Mine and actions we are taking, you can visit Yukon.ca/victoria-gold-updates.

Additional responses:

- On August 14, 2024, PricewaterhouseCoopers Inc. was appointed by the court as Receiver of the assets and property of Victoria Gold Corp.

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The Receiver is responsible for overseeing remediation of the heap leach failure and its environmental impacts, including compliance with territorial and federal orders.

- The Government of Yukon is committed to a thorough accounting of events leading up to the failure and the development of recommendations so that a similar event does not happen again in the Yukon.
- Once the causes of the failure are determined by the Independent Review Board, this information will inform the most appropriate subsequent steps and potential investigations, including consideration of a public inquiry.
- As of September 4, 2024, there are 27 liens against Victoria Gold worth over \$58.7 million.

Environmental and health impacts:

- The Department of Health and Social Services is monitoring impacts on human health. This includes ongoing review of any technical information and water sampling results, as well as situational reports, as they become available. Results from surface water samples taken show that the regulated drinking water system serving the area continues to meet the guidelines for drinking water quality.
- Water is sampled both at the site and downstream of Victoria Gold's Eagle Gold Mine. Water samples are collected regularly at select sites to monitor water quality. The results of the testing will let us know the

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impacts and inform next steps.

- Technical experts from the Government of Yukon, the First Nation of Nacho Nyak Dun and the federal Department of Fisheries and Oceans are working closely together to monitor the fish and wildlife in the surrounding areas of the Eagle Gold Mine.

Economic and labour market impacts:

- Operations ceased at Eagle Gold Mine after the heap leach failure occurred. This situation has changed the outlook for mineral production in the Yukon and resulted in a notable downward revision in the medium-term outlook for the Yukon's real Gross Domestic Product (GDP). The 2024-25 Interim Fiscal and Economic Update released in early October includes the latest forecasts for real GDP.
- At the close of 2023, Victoria Gold had 471 direct hires and another 134 on contract.
- Of the more than 600 employed, the company reported that about 34 per cent were local, amounting to approximately 200 local workers. This represents about 0.8 per cent of the territorial labour force.
- Any possible negative impacts on the labour market are expected to be short-lived, as many displaced workers are likely to be reabsorbed into what is currently a tight labour market. The Yukon's unemployment rate is about half the national figure and the local job vacancy rate has been among the highest in the country throughout

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- Monitoring of labour market data, such as the number of unemployed and the number of Employment Insurance claimants, for potential impacts of the mine closure is ongoing.
- As the Eagle Gold situation continues to unfold, we should have a better understanding if there may be longer-term impacts for the local economy.

Context — this may be an issue because:

- The June 24, 2024 heap leach failure at the Eagle Gold Mine affects the environmental and socio-economic wellbeing of Yukoners – from an environmental and business perspective.

Background:

- On June 24, 2024, a failure occurred at the heap leach facility of the Eagle Gold Mine operated by Victoria Gold Corporation.
- On July 30, 2024, the Premier provided remarks to the Council of Yukon First Nations' General Assembly on a variety of topics including mining and the incident at Eagle Gold Mine
- On August 5, 2024, the Premier provided a statement on mining activity in the Traditional Territory of First Nation of Nacho Nyak Dun.
- On August 14, 2024, the Government of Yukon with First Nation of Nacho Nyak Dun, submitted an application for receivership of Eagle Gold Mine.
- On August 16, 2024, the receivership was granted. It was appointed to PricewaterhouseCoopers. Implementing a receiver is an established process under federal bankruptcy legislation. Decision making and responsibility has

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shifted from Victoria Gold to PricewaterhouseCoopers, with direction from the Yukon government.

- As of September 20, 2024, the Government of Yukon has done 10 technical briefings to continue to keep Yukoners informed with up-to-date information.
- The Yukon.ca website is updated on a regular basis along with weekly information bulletins to inform the public on the Victoria Gold heap leach failure's current situation.

Approved by:

Justin Ferbey

October 9, 2024

Deputy Minister, Executive Council Office

[Date approved]

Lauren Haney

October 9, 2024

Deputy Minister, Energy, Mines and Resources

[Date approved]

Jessica Schultz

October 9, 2024

Deputy Minister, Finance

[Date approved]