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Session Briefing Note**Atlin**

Yukon Development
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Recommended response:

- Supporting the implementation of the Atlin Hydro Expansion Project is a priority for Yukon government and a key component of Yukon Energy's 10-Year Renewable Electricity Plan.
- To date, our government has committed \$50 million to the construction of the Atlin Project.
- This Indigenous-owned project is expected to deliver 34 gigawatt hours of clean winter power each year and displace our need to rent four diesel generators.
- Increasing dependable winter capacity on our main electrical grid by 8.75 megawatts, the Atlin Project will reduce greenhouse gas emissions while ensuring rates remain low for Yukoners.

Additional response:

- While the Atlin Project has received significant grant funding, inflation and supply chain disruptions have increased costs, resulting in a funding gap.
- The funding gap has also resulted in delays to the Project. It is now anticipated to come online in 2026 or 2027.
- Assisting the Proponent, Taku Homeland Energy Limited Partnership, to close the funding gap has led to intensive intergovernmental collaboration with the governments of Canada and British Columbia.

Session Briefing Note**Atlin**

Yukon Development
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- Through this project, our government can advance economic reconciliation with the Taku River Tlingit First Nation.
- 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.
- 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.

Context—this may be an issue because:

- The funding gap and delays to the Project have received a lot of attention in the media and from the Opposition.
 - Permits for the Project in Yukon are anticipated to be issued during Session.
-

Background:

- The Proponent (THELP) 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 total project cost is estimated to be up to \$360 million, which includes:
 - \$76 million in identified funding need;

Session Briefing Note**Atlin**

Yukon Development
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- \$20 million contingency for price increases when contractor and supplier quotes are refreshed; and
 - \$30 million to account for up to an interest rate increase in their Canada Infrastructure Bank loan.
- Current notional and secured grant and loan break down is:
 - Government of Canada: \$101.1 million (grant)
 - Government of Yukon: \$50 million (grant)
 - Government of British Columbia: \$20 million (grant)
 - Canada Infrastructure Bank: \$80 million (loan)
- While the funding stack was completed for this project in the summer of 2022, due to inflation, delays and other cost increases, the funding gap is estimated at up to \$106 million.
- The Commissioning Date is currently projected for fall 2026 or 2027 and is dependent on when the full funding stack is complete.
- The interest rate for the \$80 million Canadian Infrastructure Bank loan is unknown at this time.
- The project will:
 - Add 8.7 megawatts of dependable capacity, primarily in winter when peak electricity occurs;
 - Generate about 34 gigawatt hours of electricity each year; Eliminate the need for four rental diesels;
 - Reduce nine million litres of diesel per year;
 - Reduce greenhouse gas emissions by a projected 27,500 tonnes per year; and
 - Create 176 full-time employment positions during the construction phase of the Project and six to eight positions during operation.
- The project is reviewable under the BC Clean Energy Project Development Plan process, which is expected to be completed in early 2024.

Session Briefing Note

Atlin

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- A Decision Document has been issued by Yukon government for the Yukon-portion of the Project. Consultation with Carcross/Tagish First Nation and Taku River Tlingit First Nations is ongoing for the required permits.
 - Canada has not completed consultation on the federal Decision Documents and timeline for completion are unknown.
 - The Energy Purchase Agreement between the Proponent and Yukon Energy Corporation was reviewed by the Yukon Utilities Board (YUB), who concluded that the project was necessary to meet climate change goals.

Approved by:



September 5, 2023

President, Yukon Development Corporation

Date approved



September 5, 2023

President, Yukon Energy Corporation

Date approved

Session Briefing Note**Battery**

Yukon Development
Corporation

Yukon Energy
Corporation

Recommended response:

- The battery is expected to be in service by winter [2024/25](#).
- The battery remains on budget at a total cost of 35 million dollars.
- 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](#).
- 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.
- The Yukon Utilities Board has also stated that the battery is a preferred alternative to rental diesels and building a new diesel plant.
- When complete, the 20-megawatt battery project will replace the need for four rental diesel generators each winter.

Additional responses:About ratepayer impact

- Based on today's estimate of 35 million dollars, Yukon Energy anticipates investing 18.5 million into the battery project.
- 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.

Session Briefing Note**Battery**Yukon Development
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-
- 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 BESS 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 lot grading was done by Little River Construction, a family-run business by First Nation citizens.

Approved by:

October 3, 2023

President, Yukon Development Corporation_____
Date approved

October 3, 2023

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, even with increases in the number of rental diesel generators.
- Diesel and Liquified Natural Gas play 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 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 needs an air emissions permit to operate its diesel and LNG generators.

Whitehorse

- Yukon Energy's current Whitehorse air emissions permit is set to expire at the end of 2024 and Yukon Energy is currently in the process of submitting a proposal to the Yukon Environment and Socio-economic Assessment Board.

Mayo

- Before Yukon Energy can use rental diesel generators in Mayo this winter, YESAB must assess the Project and an air emission permit from the Yukon government must be secured.

Diesels

Yukon Energy Corp

- YESAB has recommended that the project be allowed to proceed, subject to terms relating to sound, air quality and heritage resources.
- Yukon Energy is seeking to permit 4.9 megawatts of diesel generation in Mayo as that is how much additional capacity is needed at this time.
- The rental units will be EPA Tier 2 Approved units rated at 1.8 megawatts each. However, like most other engines, they can be operated at an output less than 1.8 megawatts.
- An automatic set-point control will be installed at the Mayo rental site to limit the generation output of the rental units to 4.9 megawatts.
- Any use of installed capacity beyond the operating capacity thresholds identified in an air emissions permit [would only occur in emergency situations](#).

Dawson

- Yukon Energy is seeking to permit up to 15.5 megawatts of diesel at its Callison substation in Dawson.
- This will require a new air emissions permit and an assessment by YESAB at the Executive Committee level.
- [Yukon Energy has submitted its Project Description to YESAB.](#)
- [YESAB's Executive Committee is currently completing its compliance checks on the Project Description.](#)

Faro

- Yukon Energy is replacing some of its diesel generators in Faro with quieter, cleaner units.
- This work does not trigger a new assessment by YESAB.

Session Briefing Note

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Fall 2023

Diesels

Yukon Energy Corp

Context—this may be an issue because:

- The Opposition has raised concerns about the continued reliance on rental diesel generators.
- The noise from the diesel generators can be disruptive to some that live nearby.

Approved by:



October 3, 2023

President and CEO, Yukon Energy

Date approved

Diesel Replacements

Yukon Energy Corp

Recommended response:

- 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.
- 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 are expected to reach end-of-life in the next five years with cleaner, more efficient models.

Additional response:

Whitehorse

- Yukon Energy is seeking to renew its air emissions permit in Whitehorse. This permit allows the Corporation to use both LNG and diesel to generate electricity at their facility in Whitehorse.
- The Thermal Replacement Project in Whitehorse will replace two previously retired diesel engines with two new diesel units.

Dawson

- The Thermal Replacement Project will replace two diesel generators that have reached end-of-life in downtown Dawson with one, 3.25-megawatt unit at Callison.
- Yukon Energy is using a 3.25-megawatt unit rather than a 2.5-megawatt unit as that was all that was available at the time.
- Before Yukon Energy can retire and relocate the two diesel engines that have reached end-of-life in downtown Dawson to the Callison substation, it first needs to do a YESAB assessment and get an air emissions permit for the Callison site.

Diesel Replacements

Yukon Energy Corp

- As part of the YESAB assessment, Yukon Energy is assessing up to 15.5 megawatts of diesel generation at the Callison site. This allows the Corporation to proactively plan for the future relocation of all downtown diesel units to Callison, integrate more renewables in the Dawson area and to meet growing demands for power during emergencies.
- Yukon Energy is currently developing its Project Description to submit to YESAB for this project.

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.

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.

Location	Diesel capacity retired/retiring	Diesel capacity being installed	Forecast in-service date
Faro	5.1 MW (upcoming retirement)	5 MW	Q3 2024
Whitehorse Rapids Diesel Plant	5 MW (previously retired)	5 MW	Q2 2025

Session Briefing Note

TAB #4
Fall 2023

Diesel Replacements

Yukon Energy Corp

Dawson City	2.5 MW (upcoming retirement)	3.25 MW (relocated to Callison substation) *As a separate project, YEC is seeking to install another 3.5 MW of diesel at Callison	Q4 2024
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- 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:



October 3, 2023

President and CEO, Yukon Energy

Date approved

Diesel Rentals

Yukon Energy Corp

Recommended response:

- On average, more than 90% of the electricity Yukon Energy generates each year is renewable.
- 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.
- Renting diesel generators is the only solution in the short-term to ensure Yukoners have reliable electricity during the winter months.
- Yukon Energy continues to explore and develop clean, reliable, and affordable generation projects in collaboration with First Nations and other partners.

Additional response:

- As availability and cost of rental generators fluctuates, Yukon Energy recognizes the need to look at other solutions, including increasing ownership of back-up thermal generation.
- Securing back-up diesel generation each winter is critical to ensuring the reliability of electricity service.
- However, securing rental diesels is becoming more difficult because the market is under pressure from customers across North America.
- Renting diesel generators remains less expensive than building permanent diesel plants in the short-term. However, in the longer term, the formula starts to favor owning assets.
- Yukon Energy is currently conducting analysis to determine the most cost-effective option in the long-term and is committed to the best value option.

Diesel Rentals

Yukon Energy Corp

- It is not all about financial factors. With an isolated grid the corporation also needs to make cautious decisions around securing the needed generation from year to year.
- This upcoming winter, Yukon Energy will rent 22 diesel generators:
 - 10 units + 0 spares in Whitehorse
 - 7 units + 0 spares in Faro
 - 3 units + 2 spares in Mayo
- Rental diesel generators are needed in Mayo this winter because of supply chain issues that have caused delays in the battery project in Whitehorse and thermal replacement project.
- 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:

- The cost to rent the diesel generators for the 2023/24 season is \$7.1 million, not including fuel.
- 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 wanted clean, renewable electricity.
 - Renting diesel generators was the most cost-effective thermal generation option when the permanent plant was being contemplated.

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Fall 2023

Diesel Rentals

Yukon Energy Corp

- Yukon Energy is updating the business case around whether increasing ownership of critical back-up generation assets is needed considering energy security, financial analysis and the back-up needed to support more intermittent renewables like wind on our isolated grid.
- 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.

Rental diesel costs

Item	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24 estimated
# Units	4 units	6 units	9 units	17 units	17 units	17 units	22 units
Rental Cost, including transportation to and from Yukon Energy (approximate)	\$700,000	\$1.2M	\$2.0M	\$4.1M	\$3.6M ²	\$3.6M ⁴	\$7.1M ⁵
Set-up Cost (approximate)	Undetermined at the time of request.	\$300,000	\$400,000	\$2.4M	\$80,000	\$45,000 ³	\$4.3M ⁶
Fuel Cost (approximate)	Insignificant; generators operated minimally.	\$220,000	\$1.9M	\$2.1M ¹	\$2.4M	\$1.1M	Based on the amount of fuel needed and market prices.
Total Cost (approximate)	\$700,000	\$1.72M	\$4.37M	\$8.6M	\$6.1M	\$4.7M	

Diesel Rentals

Yukon Energy Corp

TABLE FOOTNOTES

1. Higher actual fuel cost due to unplanned outage of one Whitehorse LNG unit, which caused a greater need for diesel generation.
2. Costs were lower than the winter of 2020/21 because of lower transportation and commissioning costs.
3. This winter's start-up costs were lower than last winter because seven units remained in Faro through the offseason and 8 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 an increase of approximately \$3.5 million, with 2/3 of the costs attributable to more rental units and 1/3 relates to higher rental prices.
6. Additional infrastructure is needed in Mayo to accommodate the 5 additional rental units. The Faro site requires modifications to accommodate construction activities for the Thermal Replacement project.

Approved by:



October 3, 2023

President and CEO, Yukon Energy

Date approved

Recommended response:

- Yukon Energy's 2023/24 General Rate Application is needed to make investments in the energy system so that Yukoners have the electricity we need in the future.
- These investments will allow Yukon Energy 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.
- Yukon Energy is seeking to reduce the impact of its General Rate Application on Yukoners by asking the Yukon Utilities Board to apply its proposed rate increase at times when other charges on electricity bills are expected to be reduced to zero or to come off the bill completely.
- As a way to minimize larger increases, Yukon Energy proposed about a 3% increase to average monthly residential bills this fall, and another 3% increase to monthly residential bills next August.
- Yukon Energy will seek ways to make rate increases smaller and more predictable, so as to have a lesser impact on Yukoners.
- The Yukon Utilities Board has since decided to not approve an interim rate increase until January 2024, which will likely be offset by a fuel rider that is coming off at the same time.
- Rates in the Yukon remain the lowest in the North and are comparable to rates in Alberta.

- Yukon Energy, Yukon Development Corporation, and Yukon Energy are working together to keep rates as affordable as possible by providing ratepayer supports and jointly seeking federal investments.

Additional response:

- In the last five years we have seen a 23% growth in electricity demand in the Yukon.
- We also need to prepare for a 36% increase in electricity demand by 2030.
- We know that 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.
- The Southern Lakes Enhanced Storage Project is included in Yukon Energy's GRA because the utility incurred costs to determine the project's feasibility.
 - If Yukon Energy only advanced projects that were certain, it would limit its work by not considering options that could be best for the Yukon.
- Yukon Energy's General Rate Application will account for:
 - Capital projects like the thermal replacement project (Faro only), Whitehorse interconnection project (Riverside substation upgrades), transmission line replacement (L178 from Carmacks to Faro), Aishihik 5-year licence renewal, and Mayo rental diesel infrastructure;
 - Demand-side management programs;
 - The electrification of heating and transportation;
 - Purchasing electricity from Independent Power Producers;

- The cost to rent diesel generators;
- 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
- Rising inflation and cost of debt.
- All rate increases must be approved by the Yukon Utilities Board before they are applied to bills.

Context—this may be an issue because:

- ATCO Electric Yukon has also filed for a 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 investments funded by taxpayer revenues and without the rate increase, Yukon Energy forecasts a combined revenue shortfall of \$22 million in 2023 and 2024.

Background:

- Yukon Energy filed its GRA with the Yukon Utilities Board at the end of August.

Proposed Date of Rate Adjustment	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

Session Briefing Note

TAB #6
Fall 2023

GRA YEC

Yukon Energy Corp

			applied to bills at a slightly higher level than previous 2021 True-Up
Total:	14.1%	6%	

- 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.

*the YUB has not approved the October 1 date and is contemplating November 1.

Approved by:



October 13, 2023

President and CEO, Yukon Energy

Date approved

Recommended response:

- Yukon continues to have the lowest electricity rates of the three territories.
- To meet Yukon government's climate and electrification goals will require continuous upgrades to energy infrastructure, including assets owned by ATCO Electric Yukon.
- The Yukon Utilities Board is an independent entity that is responsible for evaluating the rate application.

Additional response:

- Yukon government is committed to working closely with ATCO Electric Yukon to continue to meet the targets within the *Clean Energy Act* and the goals of *Our Clean Future*.

Context—this may be an issue because:

- Between 2016 and 2023, AEY earned approximately \$8.4 million more than the earnings targeted by the YUB. AEY's application to the YUB seeks to refund 40% of the forecasted surplus in 2023.
- 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.

Background:

- The application seeks 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); and

Session Briefing Note

TAB #7
Fall 2023

GRA ATCO

Yukon Development
Corporation

- Other reliefs that the Board may view as appropriate.
- Rates
 - AEY requests 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 a 13.50% increase to the rate, effective January 1, 2024.
- Return on Equity
 - The current utility rate is 8.75%.
 - AEY is requesting that the YUB increase the approve Rate of Return to match the soon-to-be determined British Columbia Utility Commission rate, plus a risk premium of 0.75%.

Table 1: Return on Rate Base (\$000)

	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Actuals							Test Period	
Return on Rate Base	7,280	8,409	8,490	8,646	8,584	8,228	8,440	8,301	9,102

- Deferral Accounts
 - AEY has requested that the YUB approve the following list of Deferral Accounts:
 - Board Orders or Legislative Changes;
 - Industrial Rider R Flow Through;
 - Purchased Power Flow Through;
 - Independent Power Producers Flow Through; and
 - Diesel Fuel Deferral Account.
 - There are two criteria that the YUB uses to determine whether a Deferral Account should be approved:
 - Costs are not under the control of the company and are not reasonably forecastable; and

- A variance in forecasting could produce a loss or gain of a substantial magnitude.
 - AEY, also requested (with reference to partnership with YEC) that updates to the Terms and Conditions for deferral accounts be a standalone limited scope filling in mid-to-late 2024; noting that the Terms and Conditions were last updated in 2011.
- Reserve Balances
 - The application requests that the YUB permit AEY to resume to collect funds to create a sufficient reserve for repairs.
 - AEY also anticipates issuing Long-Term Debt.
- Impacts of Board Orders and Legislation on AEY
 - The application argues that, "... there are a number of cost drivers that are a direct result of new Government policies and legislation..." while also noting that there are also changes to customer demand and behaviours.
 - AEY is seeking YUB approval for dollar for dollar flowthrough for costs and savings related to Board Orders and legislative provisions.
 - The application identifies grid modernization as "... a necessary response to changing Government policies, technologies, and customer behaviour since they will fundamentally alter the future operation of the distribution grid". Adding that, "These changes are driving new challenges for utilities, such as bidirectional flow of power and a significant potential for localized demand spikes that cannot be ignored".
 - More specifically, the application outlines AEY's assessment of how Independent Power Producers, microgeneration, and electric vehicle chargers are impacting their business.
 - Primarily, AEY raised concerns about the impact of Yukon government's microgeneration program and identified that they are concerned about what they see as "... constant demand to review or expand the reliability restrictions for MG [microgeneration] in isolated communities".

Session Briefing Note

TAB #7
Fall 2023

GRA ATCO

Yukon Development
Corporation

- The application identifies the need to pay the minimum energy purchase to Independent Power Producers even when an unplanned event results in an Independent Power Producers ability to provide the expected power to the grid, while running diesel, as a cost driver.
- The application also notes that AEY is unclear how much work will be required to maintain the Battery Energy Storage System (BESS), microgrid controllers, and the integration components for Independent Power Producers.
- AEY is also seeking YUB approval to add two positions that are related to renewable energy and grid modernization.

Table 2: 2016-2024 Purchase Power (\$000s)

	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Actuals							Test Period	
Primary Purchase Power	25,108	27,069	27,658	27,507	28,817	28,959	28,796	29,015	30,086
Secondary Purchase Power	243	460	16	0	8	330	276	358	358
Less: Capitalized	-216	-5	0	-88	0	0	0	-49	0
Total Wholesales Purchase Power	25,135	27,525	27,674	27,419	28,825	29,289	29,072	29,323	30,444
Independent Purchases	-	-	-	-	-	143	426	455	517
Total Purchase Power	25,135	27,525	27,674	27,419	28,825	29,432	29,498	29,778	30,961

- Diesel
 - AEY procures fuel through a tendering process.
 - The variance between actual and forecast fuel prices are refunded to, or recovered from, customers through a fuel price flow through (known as "Rider F").

Table 3: Fuel Costs

	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Actuals							Test Period	
Fuel Costs	5,363	5,571	5,403	5,432	5,709	5,353	5,766	9,181	9,023
Litres	5,655	5,877	5,783	5,812	5,890	5,725	5,872	5,738	5,759

Session Briefing Note

TAB #7
Fall 2023

GRA ATCO

Yukon Development
Corporation

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- Sales
 - Retail sales are anticipated to increase +0.2% in 2023 and +3.7% in 2024.
 - Intervenors
 - AEY has requested the ability to engage Intervening Parties in a Negotiated Settlement process, noting administrative efficiency and acceptability of the practice in other jurisdictions.

Approved by:



Deputy Minister, Department

August 30, 2023

Date approved

Inflation Rebate

Yukon Development
Corporation

Recommended 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.
- The Inflation Relief Rebate is a \$50 rebate that is automatically applied to electrical customers' bills and is a temporary measure to address inflation.
- 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.

Additional response:

- The Interim Electrical Rebate is extended until March 31, 2024.
- There are 3 months left of funding for the Inflation Relief Rebate to be used this winter.
- 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.
- Both ATCO Electric Yukon and Yukon Energy Corporation have filed General Rate Applications, which will increase the rates billed to customers, which has raised

Inflation Rebate

Yukon Development
Corporation

concerns from the Opposition and public about the affordability of electricity in the Yukon.

Background:

- Inflation Relief Rebate
 - The Inflation Relief Rebate appears as a \$50 credit on non-government residential and commercial customers' electrical bills, regardless of energy usage.
 - The rebate is administered through the electrical utilities' billing systems, and funded through payments to the utilities from the Yukon Development Corporation.
 - The cost of the first six months of the Inflation Relief Rebate was \$6.4 million. See below for a table summarizing the costs of the Inflation Relief Rebate.
 - Because the Inflation Relief Rebate is provided through electrical bills, rebates can only be provided for each point of service (electrical connection). Therefore, Yukoners living off-grid cannot receive this rebate and Yukoners living in a building with one point of service can only receive one rebate.
- 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

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Inflation Rebate

Yukon Development
Corporation

\$2.625 million annually, with the Yukon Development Corporation covering the remaining \$2.375 million annually).

Approved by:



August 30, 2023

President, Yukon Development Corporation

Date approved

Outages

Yukon Energy Corp

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 southern 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.

Additional response:

- Some outages are caused by factors that are out of our control, like lightning and high winds.
- When these weather events occur, crews are dispatched as quickly as possible to diagnose and correct the issue.
- Some outages are related to repair work or needed to make system upgrades. For these outages, Yukon Energy provides as much advanced notice as possible so that people can prepare.
- Outages that are generation related are typically linked to the technology and controls built into Yukon Energy's hydro units and require specialty support to correct.
- Since the outages last December, Yukon Energy has taken a variety of actions to prevent outages like this from happening again.
- These actions include:
 - Reviewing and adjusting transformer settings;
 - Adding redundancy at the north end of Dawson, which will help Yukon Energy to restore power outages quicker;
 - Installing a third feeder in downtown Dawson that will help to reduce strain on the system;

Outages

Yukon Energy Corp

- Starting a load check program that will help Yukon Energy to see which areas are becoming overloaded and the loads at critical locations; and
 - Performing additional maintenance and upgrade work like pole audits to guide replacements before failures.
- Outages can be a result of a problem on the generation or transmission side (Yukon Energy's assets) as well as on the distribution side (ATCO Electric Yukon's equipment in ATCO's service territory; YEC equipment in YEC service territory).
- Restoration often takes longer in cold temperatures.
- 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.

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.
- Yukon Energy has plans in place to ensure there is enough electricity in the worst-case scenario.
- This worst-case scenario accounts for Yukon Energy's largest generation source, the Aishihik hydro facility and the connected transmission line, being unavailable.

Outages

Yukon Energy Corp

- In this scenario, to address the capacity shortfall, Yukon Energy could:
 - use its rental diesel generators;
 - use ATCO's diesel assets; and/or
 - disconnect the industrial load (i.e. the mines) from the Yukon grid.
- Yukon Energy is also in conversation with high load users to determine if they could use back-up generation sources when Yukon Energy is in the process of restoring power.
 - This would help to expedite the time it takes for Yukon Energy to restore power, especially in cold temperatures.
- Yukon Energy continues to build and explore sources of dependable capacity, particularly sources of capacity that are available during the winter.

Approved by:



October 3, 2023

Deputy Minister, Department

[Date approved]

Session Briefing Note

BC Grid Connect

EMR #10/YDC #10
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Energy, Mines and
Resources and
Yukon Development
Corporation

Recommended response:

- In Our Clean Future, the Government of Yukon committed to responding to the climate emergency; one of these commitments is that 97 per cent of electricity on the Yukon's main grid would come from renewable sources; [up from the 92 per cent it is today](#).
- The Yukon – British Columbia Grid Connect project could be a key part of the Yukon maintaining [high levels of renewable energy](#) over the long term. It will be a complex, major, long-term infrastructure project that crosses multiple traditional territories, as well as provincial/territorial borders.
- Increasing the Yukon's renewable electricity supply supports our ambitious electrification goals to reduce greenhouse gas emissions from [the Yukon's](#) largest emission sources: transportation, [heating and mining](#).

Additional response:

- We are initiating the work required to understand the interests and perspectives of Yukon First Nations governments and transboundary Indigenous groups; technical feasibility and options; potential cost and funding opportunities, as well as other key forms of information.
- [Connecting the Yukon to British Columbia's electrical grid is a tremendous opportunity for shared growth and prosperity, economic reconciliation and a reduction in greenhouse gas emissions from fossil fuel use.](#)

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BC Grid Connect

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Resources and
Yukon Development
Corporation

- Connecting to British Columbia's electrical grid will also help facilitate development of critical minerals in the Yukon. Additional available power will make critical mineral projects more feasible.
-

Context—this may be an issue because:

- There may be interest in what the Government of Yukon is doing to increase the Yukon's ability to generate energy from renewable sources.
-

Background:

- In 2019, Midgard Consulting produced the 'Yukon-British Columbia Interconnection Development Plan.' The report identified objectives of the project, a proposed development approach and a very preliminary cost estimate.
- Work on the feasibility of the grid connect project will require the completion of a new development plan with updated costing.
- At the March 31, 2023 Yukon Forum meeting in Haines Junction, leadership discussed the potential for the connection of the Yukon and British Columbia's grids. This discussion represents the beginning of the government's collaboration on the project.
- Currently, approximately 92 per cent of the Yukon's electricity is obtained from renewable energy sources, with hydroelectricity accounting for approximately 80 per cent of the Yukon's total electricity generation.

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BC Grid Connect

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Energy, Mines and
Resources and
Yukon Development
Corporation

Approved by:



Deputy Minister
Energy, Mines and Resources

October 10, 2023

Date approved



President and CEO
Yukon Development Corporation

October 10, 2023

Date approved

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, three projects have been approved for funding:
 - Haeckel Hill Wind Project (Whitehorse): \$13.07 million
 - Kluane N'tsi (wind) Project: \$2 million; and
 - Dome Road Solar Project (Dawson City): \$486,000.

Additional response:

- The Arctic Energy Fund's objectives align with our government's focus on renewable energy through the Innovative Renewable Energy Initiative, the micro-generation program, and the Independent Power Production Policy.
- The Yukon's total budget under the fund is \$33.5.
- This is in addition to the Innovative Renewable Energy Initiative, which provides \$2 million annually to the development of renewable energy and heating projects in the Yukon.

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.

Arctic Energy Fund

Yukon Development
Corporation

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.
- Working on the final funding agreement with First Kaska to support the Watson solar projects.
- It is not anticipated that the Arctic Energy Fund will be replenished with new federal funds.

Approved by:



President, Yukon Development Corporation

August 30, 2023

Date approved

DSM

Yukon Development
Corporation

Yukon Energy
Corporation

Recommended response:

- Yukon Energy, Yukon Development Corporation, and Energy Branch 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 effective ways to help minimize our short-term reliance on thermal sources to provide necessary power in the coldest, darkest months.
- [Yukon Energy is launching its latest demand-side management program, Peak Smart Home on November 1, 2023.](#)
- Participants will be offered smart, internet-connected thermostats and/or hot water tank controllers, installed at no cost in return for their participation.
- Future phases of the program are to include smart home charging for electric vehicles.

Additional response:

- [Peak Smart pilot participants who experienced issues with their thermostats can contact Yukon Energy to receive new thermostats.](#)
- Yukon Energy is proactively addressing participants' concerns about thermostats installed during the pilot project, while gaining experience that will help ensure the launch of the new Peak Smart Home program goes smoothly this fall.

Context—this may be an issue because:

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DSM

Yukon Development
Corporation

Yukon Energy
Corporation

- 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 2024, is expected to cost **\$2.8** million dollars.
- 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.
- The total cost of the Peak Smart Pilot Program was 1.3 million dollars.
- Nearly 70 per cent of the Peak Smart Pilot Program was funded by the federal and Yukon governments.
- Yukon Energy's contribution to the **pilot and new program** will be included in rates proposed to the Yukon Utilities Board in the 2023 General Rate Application.

Approved by:



October 3, 2023

President, Yukon Development Corporation

Date approved



October 3, 2023

President and CEO, Yukon Energy

Date approved

Recommended response

- In 2022, 92% of the electricity Yukon Energy generated came from renewable resources.
 - Eight per cent came from thermal resources, of which:
 - Approximately 5% was LNG
 - Approximately 3% was diesel
- Diesel and LNG were used primarily during the winter months to fill the gap between the amount of electricity Yukoners needed and what could be supplied using hydro resources.
- Over the last 25 years, Yukon Energy has generated an average of 96% renewable electricity each year.

Additional response

- In 2023, Yukon Energy expects that 92 percent of the electricity it generates will be renewable, even with an increased amount of rental diesel generators.
- Yukon Energy continues to explore new renewable projects and technologies that will help to ensure it can continue to supply renewable electricity to Yukoners.
- In 2022, the mines connected to the Yukon grid represented about 16 per cent of Yukon Energy's summer load and about 8 per cent of Yukon's winter load.
- By 2025, the forecasted mines connected to the Yukon grid will represent about 20 per cent of Yukon Energy's summer load and about 12 per cent of Yukon's winter load.
- During emergencies, the mines are the first to be disconnected from the grid so that Yukon Energy can supply the necessary electricity to Yukon homes and businesses.

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Electricity Supply 2023-24

Yukon Energy Corp

Context—this may be an issue because:

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

Background:

Historical Percentage Renewable

2018	2019	2020	2021	2022	5-Year Average	25-Year Average
92%	84%	86%	92%	92%	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:



August 31, 2023

President and CEO, Yukon Energy

Date approved

FN 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 publically this year.

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.
- Yukon Development Corporation is pleased to be a part of the Steering Committee for the Council of Yukon First Nation's conference on energy this fall and will discuss the Framework with First Nation leadership there.

Context—this may be an issue because:

- A Discussion Paper will be circulated on the main components of the Framework 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.

FN Investment Framework

Yukon
Development
Corporation

Background:

- Action E9 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 key components of the First Nations Investment Framework are proposed as:
 - Identifying the needs and opportunities for First Nation investment in energy infrastructure;
 - Equity participation in YEC and/or individual projects;
 - Decision-making structures and roles for First Nations in energy projects;
 - Procedures to ensure treaty and Aboriginal rights are being effectively implemented, with processes to minimize, mitigate, or accommodate for impacts;
 - Capacity development to support First Nation participation in the energy sector;
 - Procurement policies for YG, YDC, and YEC projects;
 - Mechanisms to support energy conversations by addressing related matters, such as land use planning;
 - Recognition of historical impacts from existing energy infrastructure;
 - Exploration of financial vehicles to support First Nation participation in the energy economy; and
 - Other matters, which arise through conversation with First Nation, government, and industry partners.

Approved by:



President, Yukon Development Corporation

August 30, 2023

Date approved

Haeckel Hill

Yukon Development
Corporation

Recommended response:

- Yukoners in Whitehorse may have noticed over the summer that there are now four wind turbines on top of Haeckel Hill.
- We are very excited to attend the ribbon-cutting ceremony hosted by the Proponent, Chu Níikwän Limited Partnership of the Haeckel Hill Wind project on October 3rd.
- Yukon Development Corporation has funded this project with \$13.07 million from the Arctic Energy Fund.

Additional response:

- This project will be a help to diversify the sources of winter renewable energy on the Yukon electrical Grid.
- Wind is important to the energy mix as it can generate power during the cold Yukon winters.
- This Project is a part of the Independent Power Producer (IPP) program, which has been a major success and has a list of projects that fill the target of 40 Megawatt Hours.

Context—this may be an issue because:

- The Project is highly visible in Whitehorse and there will likely be significant media coverage of the ribbon cutting ceremony on October 3, 2023.

Background:

- The project-initiated funding from Arctic Energy Fund in 2021.

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Haeckel Hill

Yukon Development
Corporation

- 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 project also received \$485,000 from the Yukon Development Corporation's Innovative Renewable Energy Initiative (IREI).
- The project will be connected to the grid after testing by Yukon Energy Corporation to ensure safety requirements are met.

Approved by:



September 1, 2023

President, Yukon Development Corporation

Date approved

ICIP

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 dollars was invested into the Grid-Scale Battery Storage System to help balance daily demand for electricity; and
 - 22.7 million dollars was invested in the Mayo-McQuesten transmission line upgrade.
- We are continuing to work with the Government of Canada, First Nation partners and local stakeholders to ensure investments in public infrastructure return the best possible economic, environmental, and social value to the territory, as well as support the growing need for clean, affordable, and reliable energy

Additional response:

- Upgrading the Mayo-McQuesten Transmission Line improved service in the Mayo region and provided renewable energy to the Eagle Gold mine site. This project, which is now complete, is reducing annual greenhouse gas emissions by up to 53,000 tons each year.
- Bringing the Battery Energy Storage System into service will add seven megawatts of renewable capacity and reduce the number of rented diesel units required.

ICIP

Yukon Development
Corporation

-
- The battery is located on Kwanlin Dun First Nations settlement land and is an example of how Yukon First Nations are participating in Yukon's energy economy.
-

Context—this may be an issue because:

- The Opposition has raised concerns about the status of energy projects.
 - The battery will assist with the integration of renewable energy onto the integrated grid.
-

Background:

- The Green Infrastructure is a stream of funding under the Investing in Canada Infrastructure Program and is managed by the Government of Yukon's Department of Community Services.
- The programs in the Green Infrastructure stream support greener communities by contributing to climate change preparedness, reducing greenhouse gas emissions, and supporting renewable technologies in Canada.

Approved by:



President, Yukon Development Corporation

August 30, 2023

Date approved

Session Briefing Note IPP

EMR #34/YDC #21
Fall 2023

Energy, Mines and
Resources and Yukon
Development Corporation

Recommended response:

- The Government of Yukon supports the development of locally sourced renewable energy through the Independent Power Production policy.
- The Independent Power Production policy allows 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.
- Due to high interest, the Standing Offer Program is currently fully subscribed. We will continue to accept new applications for later consideration should the number of projects under review decrease.

Additional response:

- The Vuntut Gwitchin Government in Old Crow, Solvest on the North Klondike Highway, Nomad Construction in the Mount Sima area, and the Klondike Development Organization in Dawson City are delivering solar-generated electricity to the utilities through independent power production projects.
- The Chu Níkwän Limited Partnership is anticipated to start providing electricity this fall through their Thäy Tāw (Haeckel Hill) four-megawatt wind project.
- We are making substantial progress towards integrating renewable projects in all micro-grid communities. These projects will contribute to reducing the use of fossil fuels for electricity generation in off-grid communities by 30 per cent by 2030.

**Session Briefing Note
IPP**

Energy, Mines and
Resources and Yukon
Development Corporation

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. The Standing Offer Program is fully subscribed, as the number of proposed projects under review exceeds the program limits.

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.
- Ten independent power production projects have signed Energy Purchase Agreements with their respective utilities. Of these, four are actively producing electricity.
 1. Solvest's solar project - Whitehorse (active)
 2. Nomad Construction and Electrical Services' solar project - Whitehorse (active)
 3. Vuntut Gwitchin Government's solar project - Old Crow (active)
 4. Klondike Development Organization's solar project - Dawson City (active)
 5. Chu Níkwān Eagle Hill (Haeckel Hill) I (antic. to be commissioned fall 2023)
 6. Chu Níkwān Eagle Hill (Haeckel Hill) II (antic. to be commissioned fall 2023)
 7. White River First Nation's solar project - Beaver Creek (timing TBD);
 8. Kluane First Nation's Nt'si wind project - Kluane Lake (timing TBD);
 9. Arctic Pharm's solar project - Whitehorse (timing TBD); and
 10. Sunergy's solar project - Haines Junction (timing TBD).
- Daylu Dena Council is developing a significant solar renewable energy project in Lower Post to provide power to the Watson Lake micro-grid.

**Session Briefing Note
IPP**

Energy, Mines and
Resources and Yukon
Development Corporation

- Energy, Mines and Resources and the Yukon Development Corporation are working closely with prospective independent power producers and funding agencies to support innovative projects as program capacity allows.
- Funding is available for prospective renewable energy projects through the Arctic Energy Fund and the Innovative Renewable Energy Initiative coordinated by the Yukon Development Corporation.

Approved by:

A/Deputy Minister
Department of Energy, Mines and Resources

August 29, 2023

Date approved



Dennis Berry
President and CEO, Yukon Development Corporation

August 30, 2023

Date approved

IREI

Yukon Development
Corporation

Recommended response:

- Yukon Development Corporation is pleased to report that the Innovative Renewable Energy Fund is fully subscribed for the 2023-2024 Fiscal Year, demonstrating the level of interest that Yukon First Nations and other proponents continue to take in developing renewable energy projects in the Yukon.
- The Government of Yukon is proud to provide support for local energy entrepreneurs to develop renewable energy projects that help reduce Yukon's reliance on fossil fuels.
- The Innovative Renewable Energy Initiative funds Yukon First Nation governments, municipalities and community-based organizations to identify and develop projects that generate electricity and heat for our homes and businesses from renewable sources.
- Our government's is contributing \$2 million this year and since its inception the Yukon Development Corporation has invested \$6.9 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.

IREI

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 \$6.9 million in project funding, including funds committed this year.

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

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IREI

Yukon Development
Corporation

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
	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

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Fall 2023

IREI

Yukon Development
Corporation

	Chu Níkwān 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

August 30, 2023

Date approved

Session Briefing Note

Fall 2023

Public Utilities Act Amendments

Justice

Recommended response:

- The Government of Yukon is reviewing the *Public Utilities Act* to identify amendments that will support an efficient and modern process for regulating electricity in the territory.
- This review is a part of implementing Our Clean Future.

Additional response:

- Changes being considered may include provisions that allow the Yukon Utilities Board to look at how a utility's proposed project or change to electricity rates would affect the Yukon's supply of affordable renewable energy.

Context:

- The review supports several key initiatives in Our Clean Future by allowing the Yukon Utilities Board to consider a project's renewable energy and climate change implications, along with other factors, in decisions involving electricity rates and upcoming energy projects.

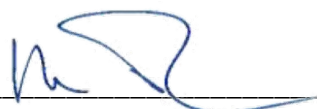
Background:

- The Yukon Utilities Board is an independent regulator of electricity that receives its mandate from the *Public Utilities Act*, its regulations and Orders-in-Council. This legislation gives the board authority to set rates that may be charged for electricity and to oversee capital expenditures of public utilities.
- 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.
- In July 2021, the board released its report on the Battery Energy Storage System (BESS) project, in which it stated that 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.

Session Briefing Note**Fall 2023*****Public Utilities Act Amendments***Justice

- The board's concerns were restated in its October 2022 report on the Atlin Energy Purchase Agreement, in which it called upon the Government of Yukon to provide guidance in legislation if it desires specific policy objectives to be supported by the board.
- Specific Our Clean Future goals include:
 - a 30 per cent reduction in greenhouse gas emissions from 2010 levels;
 - that 93 per cent of electricity in the grid come from renewable sources;
 - that diesel generation be substituted with renewable alternatives; and
 - that the use of fossil fuels for electricity generation be reduced.

[Cross-reference: BN#13 – *Public Utilities Act Regulation Changes for Our Clean Future*]

Approved by:

Deputy Minister, Justice

2023-09-14

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, encouraging the purchase of green technologies and creating business opportunities in the growing clean energy sector.
- Micro-generation from small-scale solar systems has surpassed our initial seven-megawatt target and currently there are almost nine-megawatts of total renewable energy generating capacity installed.
- Energy Purchase Agreements have been signed by 10 independent power production projects. Of these, four are actively producing electricity with an additional [three](#) projects anticipated to be completed this fall.

Additional response:

- To reduce greenhouse gas emissions from heating buildings, we are providing funding for building owners to install efficient electric heat pumps and biomass heating systems.
- 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.

Context — this may be an issue because

- There is strong First Nations, municipal, public and industry interest in installing renewable energy systems and in government support for such initiatives.

EMR #37/YDC #24 Fall 2023

Session Briefing Note Renewable Energy Initiatives

Energy, Mines and
Resources and Yukon
Development Corporation

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 #35)

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 #34)

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 [October 2023](#), [784](#) micro-generators connected to the Yukon utility grid are generating [6.6 megawatts of AC renewable electricity capacity](#) or [9.5 megawatts DC capacity](#), enough energy to supply about 1.7 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 110 renewable energy-generating systems on institutional, commercial and residential buildings throughout the Yukon.

Biomass

- We have supported three 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)

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Fall 2023

Session Briefing Note
Renewable Energy
Initiatives

Energy, Mines and
Resources and Yukon
Development Corporation

Geothermal resources

- The Government of Yukon is developing legislation to regulate geothermal energy development per Our Clean Future (action E11). Engagement was completed in September 2022 and work is advancing to develop the legislation.
- Geological research is underway on the potential for geothermal as a renewable energy source for heating and electricity. (See BN #62)

Approved by:



Deputy Minister
Department of Energy, Mines and Resources

2023-11-03

Date approved



2023.11.06

Dennis Berry
President and CEO, Yukon Development Corporation

Date approved

System upgrades

Yukon Energy Corp

Recommended response:

- Investments in the Yukon's electricity system are critical to ensuring the ongoing supply of safe and reliable electricity to Yukoners, and to meet our climate change objectives.
- A robust system includes dependable generation, distribution and transmission and all of these components need ongoing investments and maintenance—this is the primary reason we are seeing average capital expenditures forecasted between \$70 and \$90 million.
- Yukon government is currently working with Yukon Energy and ATCO to identify the upgrades needed to accommodate the use of more electric heat and vehicles, and to bring more renewables online.
- The magnitude of the investments needed is still being determined, however, we do know that it will require significant government investment to keep electricity rates affordable.
- Support from the Government of Canada will be required to effectively prepare the grid for meeting federal and territorial renewable energy standards.

Additional response:

Dawson

- Over the next five years, Yukon Energy will be working to make sure the grid in Dawson can handle the community's increase in electricity demand.
- These projects include upgrading Dawson's distribution system from 4.2 kilovolts to 12.5 kilovolts, replacing end-of-life diesel generators and moving them out of downtown, and replacing end-of-life equipment at the Callison substation.

Faro

System upgrades

Yukon Energy Corp

- As part of its Thermal Replacement Project, Yukon Energy is replacing end-of-life diesel generators with quieter, cleaner generators.

Whitehorse

- Yukon Energy is upgrading the Riverside substation in Riverdale to connect the new grid-scale battery and upgraded diesel generators that are cleaner and quieter, to the grid.

Mayo

- Over the next five years, Yukon Energy will upgrade its aging infrastructure in Mayo.
- This includes significant upgrades to the dam, spillway and hydro plants, as well as slope stabilization work to the hill above the Mayo A plant, distribution upgrades and repairs and upgrades to Yukon Energy's thermal infrastructure.

Context—this may be an issue because:

- Yukon Energy will be in the process of having its General Rate Application reviewed and there may be questions about what rates are being spent on.

Background:

- The cost and timeline for Yukon Energy's upgrade projects will depend on the individual project, with some work being completed in late 2023 (Callison substation upgrades in Dawson) and other work not starting until 2027/28 (Mayo Lake control structure upgrades).

Approved By:



President and CEO, Yukon Energy

September 6, 2023

Date approved

Recommended response:

- Demand for electricity is growing in Dawson City.
- Yukon Energy is adding a second diesel generator at its Callison substation next year to ensure power can continue to be delivered in the community at times when Dawson is disconnected from the Yukon grid.
- By the end of next year, Yukon Energy plans to have 6.5 megawatts of diesel generation installed at Callison.
- Before Yukon Energy can operate diesel engines at the Callison site, it must first complete a YESAB assessment and get an air emissions permit for the site.
- As part of its YESAB assessment, Yukon Energy is assessing up to 15.5 megawatts of diesel generation at the Callison site. This allows the Corporation to proactively plan for the future relocation of all downtown diesel units to Callison, integrate more renewables in the Dawson area and to meet growing demands for power during emergencies.
- Yukon Energy is currently developing its Project Description to submit to YESAB for this project.

Additional response:

- Yukon Energy has heard 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.

Session Briefing Note

TAB #26

Fall 2023

Callison Electricity Generation

Yukon Energy Corp

-
- 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 aren't available.

Context—this may be an issue because:

- More diesel capacity is being added in Dawson.

Background:

- The cost of this project is anticipated 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) and 3.25 MW from this separate reliability project.

Approved by:



October 3, 2023

Deputy Minister, Department

[Date approved]

Session Briefing Note

Independent Power Production Policy

EMR #34/YDC #27
Fall 2023
Energy, Mines and
Resources and Yukon
Development Corporation

Recommended response:

- The Government of Yukon supports the development of locally sourced renewable energy through the Independent Power Production policy.
- The Independent Power Production policy allows 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.
- Due to high interest, the Standing Offer Program is currently fully subscribed. We will continue to accept new applications for later consideration should the number of projects under review decrease.

Additional response:

- The Vuntut Gwitchin Government in Old Crow, Solvest on the North Klondike Highway, Nomad Construction in the Mount Sima area, and the Klondike Development Organization in Dawson City are delivering solar-generated electricity to the utilities through independent power production projects.
- The Chu Níkwän Limited Partnership is anticipated to start providing electricity this fall through their Thäy Täw (Haeckel Hill) four-megawatt wind project.
- By 2026 all Yukon communities not on the integrated grid will have renewable Independent Power Production projects. These projects will contribute to reducing the use of fossil fuels for electricity generation in off-grid communities by 30 per cent by 2030.

Session Briefing Note

Independent Power Production Policy

EMR #34/YDC #27
Fall 2023
Energy, Mines and
Resources and Yukon
Development Corporation

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. The Standing Offer Program is fully subscribed, as the number of proposed projects under review exceeds the program limits.

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.
- Ten independent power production projects have signed Energy Purchase Agreements with their respective utilities. Of these, four are actively producing electricity.
 1. Solvest's solar project - Whitehorse (active)
 2. Nomad Construction and Electrical Services' solar project - Whitehorse (active)
 3. Vuntut Gwitchin Government's solar project - Old Crow (active)
 4. Klondike Development Organization's solar project - Dawson City (active)
 5. Chu Níkwän Eagle Hill (Haeckel Hill) I (antic. to be commissioned fall 2023)
 6. Chu Níkwän Eagle Hill (Haeckel Hill) II (antic. to be commissioned fall 2023)
 7. White River First Nation's solar project - Beaver Creek (timing TBD);
 8. Kluane First Nation's Nt'si wind project - Kluane Lake (timing TBD);
 9. [Takhini Power Corp's](#) solar project - Whitehorse ([anticipated to be commissioned by end of 2023](#)); and
 10. Sunergy's solar project - Haines Junction ([anticipated to be commissioned by end of 2023](#)).
- Daylu Dena Council is developing a significant solar renewable energy project in Lower Post to provide power to the Watson Lake micro-grid that is anticipated to be commissioned in 2026.

Session Briefing Note

Independent Power Production Policy

EMR #34/YDC #27
Fall 2023
Energy, Mines and
Resources and Yukon
Development Corporation

- Energy, Mines and Resources and the Yukon Development Corporation are working closely with prospective independent power producers and funding agencies to support innovative projects as program capacity allows.
- Funding is available for prospective renewable energy projects through the Arctic Energy Fund and the Innovative Renewable Energy Initiative coordinated by the Yukon Development Corporation.

Approved by:



Deputy Minister
Department of Energy, Mines and Resources

October 12, 2023

Date approved



Dennis Berry
President and CEO, Yukon Development Corporation

October 13, 2023

Date approved

Accomplishments - YDC

Yukon Development
Corporation

2023-2024

- 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.
- Supporting the Council of Yukon First Nation's energy summit in fall 2023 where we hope to contribute to meaningful discussions of how Yukon First Nations can participate in the energy economy.
- 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.

Accomplishments - YDC

Yukon Development
Corporation

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

Accomplishments - YDC

Yukon Development
Corporation

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 2023

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 N'ikwān 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:



August 30, 2023

President, Yukon Development Corporation

Date approved

Accomplishments - YEC

Yukon Energy Corp

- Yukon Energy is committed to advancing projects and partnerships that provide Yukoners with safe, sustainable, reliable and affordable electricity.
- So far, in 2023, accomplishments include:
 - Making substantial progress on the design and implementation of Yukon Energy's new Peak Smart program which is set to launch this fall;
 - Advancing the water licence renewal process for its Mayo hydro facility and Whitehorse hydro facility by working with First Nations governments and Yukon government in a good way;
 - Advancing upgrades at its Riverside substation that will help to connect Yukoners to new sources of electricity; and
 - Maintaining over 95% availability on its generation equipment.
- In 2022, Yukon Energy's accomplishments included:
 - Generating 92% renewable electricity;
 - Securing a 5-year water use licence for its Aishihik hydro facility;
 - Signing four Electricity Purchase Agreements with Independent Power Producers as part of Yukon government's Standing Offer Program, and connecting two additional independently owned solar projects to the grid;
 - Completing the Peak Smart Pilot Program to evaluate the use of smart devices to shift energy demand to off-peak hours;
 - Developing a climate change adaptation plan that identified risks and appropriate responses to ensure Yukon's main electrical grid is resilient to the impacts of climate change;
 - Developing 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

Accomplishments - YEC

Yukon Energy Corp

- accountable for its environmental, social and corporate impacts, and to have oversight over its large capital investments; and
- Establishing 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.
- In 2021, accomplishments included:
 - Generating 92% renewable electricity;
 - Completing the Mayo to McQuesten Transmission Line Replacement Project on budget and without any cases of Covid-19 amongst workers on the Project;
 - Completing upgrades to its Whitehorse Rapids Generating Station #2 and #4 hydro units to allow the Yukon Energy to generate more renewable electricity;
 - Signing a lease agreement with Da Dan Developments, a subsidiary of Chu Níkwän Development Corporation, for a 25-year lease on the land needed for the grid-scale battery;
 - Connecting the first independently owned solar farm to the Yukon grid;
 - Implementing a rate increase with nearly zero impact on electricity bills;
 - Forming the Whitehorse Rapids Fish Ladder/Fish Hatchery Technical Working Group with the Carcross/Tagish First Nation, Kwanlin Dün First Nation and Ta'an Kwäch'än Council with the goal of improving operations at the ladder and hatchery.
 - Signing an Electricity Purchase Agreement with Tlingit Homeland Energy Limited Partnership (THELP) for the Atlin Hydroelectric Expansion Project;

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Fall 2023

Accomplishments - YEC

Yukon Energy Corp

- Completing the My Account online customer portal in late 2020 and releasing it to customers in early 2021; and
- Achieving zero lost time injuries.
- Yukon Energy completed its LNG plant in 2015 and the third turbine was installed in 2018.

Approved by:



President and CEO, Yukon Energy

August 31, 2023

Date approved

Session Briefing Note

TAB #32

Fall 2023

CEO Recruitment

Yukon Energy Corp

Recommended response:

- The recruitment process for Yukon Energy's President and CEO is underway.
- The process began shortly after Yukon Energy's previous President and CEO, Andrew Hall, resigned in February 2023.
- The recruitment process is being led by Yukon Energy's Board of Directors with the support of Watson, a firm that specializes in corporate governance and executive recruitment.
- The Board of Directors is aiming to have the position filled by the end of 2023.

Additional response:

- Andrew Hall resigned from the position for personal reasons.
- Chris Milner, the corporation's previous Vice President of External Relations, assumed the role of Interim President and CEO on March 1, 2023, by resolution of the Yukon Energy Board of Directors.

Context—this may be an issue because:

- A new President is anticipated to be announced during Session.
- The Opposition or public may ask whether Yukon government is responsible for the recruitment, or any severance costs associated with the past President's resignation.

Background:

- Andrew Hall was Yukon Energy's President and CEO for 8.5 years.
- Yukon Energy has its own Human Resources team and severance is part of the business that they do.

Approved by:



August 31, 2023

President and CEO, Yukon Energy

Date approved

Financial - debt

Yukon Development
Corporation

Recommended response:

- The Government of Yukon approved an increase of \$7,425,000 million dollars of long-term debt for Yukon Energy in 2023.
- The Government of Yukon must approve any increase in external debt assumed by Yukon Energy as it is included within Yukon government's debt cap under the Yukon Act.
- To meet growing demand for power Yukon Energy must invest in new generation and transmission infrastructure, while maintaining existing infrastructure, the full cost of which is not able to be supported by rates, while keeping energy costs affordable for Yukoners.

Context—this may be an issue because:

- Yukon Development Corporation/Yukon Energy hold the majority of debt that is currently counted towards the territory's debt cap.
- The Opposition has raised concerns about how Yukon Energy will finance new energy generation capacity.

Approved by:



President, Yukon Development Corporation

August 30, 2023

Date approved

Financial - Minto

Yukon Energy Corp

Recommended response:

- Yukon Energy filed for a lien against the Minto Mine in the British Columbia courts for unpaid bills for the provision of electricity service to between October 1, 2022 and May 15, 2023.
- The total amount claimed is just over \$4 million.
- Through the legal process Yukon Energy will seek to recover those funds.
- Electricity continues to be provided to the mine site to ensure its environmental integrity is maintained.

Additional response:

- The closure of the Minto Mine will not affect the number of diesel generators Yukon Energy needs to rent each year, as that is calculated based on the amount of electricity Yukon homes and businesses need during a winter emergency situation.

Context—this may be an issue because:

- Yukon Energy continued to provide electricity to the mine despite the money it is owing.
-

Background:

- Yukon Energy cannot provide details on the amount of electricity the mine was using as that is private, customer information.

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TAB #34

Fall 2023

Financial - Minto

Yukon Energy Corp

- Yukon Energy charges interest on overdue accounts and is exploring its ability to apply security deposits.

Approved by:



President & CEO, Yukon Energy

September 5, 2023

Date approved

Financial - position

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.
- 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 Yukon's Public Accounts.
- The Auditor General reported that Yukon Development Corporation's 2021 Consolidated Financial Statements presented fairly, in all material aspects, the consolidated financial position of Yukon Development Corporation as of December 31, 2021, in accordance with International Financial Reporting Standards.

Additional response:

- Long-term debt reported in the 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.

Context—this may be an issue because:

- YDC's 2021 consolidated financial statements and Yukon's 2021-22 Public Accounts were both tabled in the 2022 fall legislative session.
- Opposition parties often compare YDC's financial statements to the Public Accounts.

Financial - position

Yukon Development
Corporation

Background:

- Yukon Development Corporation's long-term debt at December 31, 2021, as reported in the Corporation's Consolidated Financial Statements, was \$208.7 million. This includes the current portion of the debt of \$3.9 million as well as the non-current portion of \$204.9 million.
- YDC's long-term debt at March 31, 2022, as reported on Page 49 of Yukon's 2021-22 Public Accounts, was \$206.3 million.
- The \$3.9 million in additional long-term debt from the previous year as reported in YDC's consolidated financial statements is a combination of new long-term debt related to Yukon Energy capital investments less annual principal repayments on existing debt.
- Credit facility limits for YDC and YEC are currently:
 - YEC \$65.0 million
 - YDC \$7.5 million
 - Total \$72.5 million
- YDC does not currently have any of its credit facilities in use. YEC's use of its credit facilities varies significantly depending on progress on its capital projects and the timing of its revenues and accounts receivable.

Approved by:



August 30, 2023

President, Yukon Development Corporation

Date approved

General - ATCO

Yukon Development
Corporation

Recommended response:

- ATCO Electric Yukon is a privately owned company and is regulated through the *Public Utilities Act*.
- The Yukon Utilities Board is responsible for overseeing public utilities, including ATCO Electric Yukon.
- This oversight includes setting earnings targets and rates through General Rate Applications.
- ATCO distributes to homes and businesses the electricity that is generated by Yukon Energy Corporation, except in Watson Lake, Burwash Landing, Destruction Bay, Beaver Creek, and Old Crow, where ATCO 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:

- Yukon government will continue to work with utilities to ensure the interests of the Yukon's rate payers are considered and protected.
- As ATCO Electricity 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:

- ATCO has filed a General Rate Application with the Yukon Utilities Board.
- The New Democratic Party has consistently raised the issue of ATCO's over-earnings, noted ATCO's rate relief measures do not go far enough, and called on government to order a General Rate Application.

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TAB #36

Fall 2023

General - ATCO

Yukon Development
Corporation

Background:

- For information on ATCO's General Rate Application see Tab 13.

Approved by:



August 30, 2023

President, Yukon Development Corporation

Date approved

Recommended response:

- Yukon Energy's mission is to provide Yukoners with sustainable, reliable, and affordable electricity.
- On 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 capacity sources that Yukon Energy can rely on during the winter. This is essential to providing Yukoners with energy security.
- Supporting intermittent renewables like solar and wind with batteries for storage and stability, as well as back-up thermal generation.
- 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 that exist for Yukon First Nations in the energy sector.

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TAB #37

Fall 2023

General - YEC

Yukon Energy Corp

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.

Background:

- Yukon Energy was established in 1987.
- 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:



President and CEO, Yukon Energy

August 31, 2023

Date approved

Session Briefing Note

TAB #38

Fall 2023

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 Corporation.
- 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 improve internal communications.

Context—this may be an issue because:

- Yukon Development Corporation is becoming more active in seeking Yukon government supports for Yukon Energy Corporation, through such means as investments in capital infrastructure.

Approved by:



President, Yukon Development Corporation

August 30, 2023

Date approved

Recommended response:

- Over the course of the last two summers, there have been two small, isolated rockslides behind Yukon Energy's Mayo A hydro plant.
- Both rockslides were contained to Yukon Energy property and posed no risk to public safety or flooding.
- The slope remediation work is expected to be complete by summer 2024.
- The cost for the rock slope mitigation is estimated at 3.7 million dollars.
- Initial rock clearing on the slope has been completed and the slope is now stable enough for the plant to resume operation.
- Yukon Energy restarted the plant on October 26, 2023.

Additional response:

- Yukon Energy recognizes that the impacts of climate change, like rockslides, can pose a risk to critical infrastructure and Yukon Energy's ability to provide reliable electricity.
- As such, Yukon Energy has developed a publicly available *Climate Change Adaptation Implementation Plan* that identifies climate change hazards to its assets, and what solutions might address these impacts.
- Yukon Energy is designing a winter spill system, should the Mayo A plant need to remain closed this winter.
- The winter spill system will allow Yukon Energy to meet the licence flow requirements in the Water Licence.
- This means Yukon Energy will not need to seek emergency amendments to Water Licence or Fisheries Act Authorization.

Session Briefing Note

TAB #39

Fall 2023

Mayo Rockslide

Yukon Energy Corp

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:

Timeline	Event
August 27, 2022	Rockslide occurred behind Yukon Energy's Mayo A hydro plant.
November 5, 2022	Yukon Energy re-started the Mayo A plant.
November 16, 2022	Slope monitoring equipment installed.
November 17, 2022	Yukon Energy receives its Fisheries Act emergency authorization from Department of Fisheries and Oceans.
January 4, 2023	Yukon Energy receives its emergency amendment from the Yukon Water Board.
Mid-June, 2023	Another rockslide occurred and Yukon Energy shut down the Mayo A plant.

Approved by:



October 31, 2023

President and CEO, Yukon Energy

Date approved

Planning - Resource

Yukon Energy Corp

Recommended response:

- Yukon Energy is working towards a cleaner energy future while ensuring Yukoners have access to reliable and affordable energy.
- As more Yukoners make the shift to electric heat and transportation, Yukon's electricity system needs to get bigger, cleaner and smarter.
- Investments in all aspects of the Yukon's electricity system – generation, transmission, distribution and end-use – will be critical to ensuring Yukoners have the power they need when and where they need it.
- Knowing this, Yukon Energy will be updating its 10-Year Renewable Electricity Plan next year to identify the [resources](#), investments and strategic partnerships needed to build Yukon's sustainable energy future.
- The update will consider multiple resource options, including resources we currently use and others that are new to the Yukon.
- The process will include discussions with First Nation and public governments, as well as Yukoners more broadly.

Additional response:

- The update to the Resource Plan will be informed by extensive modelling and analysis of a range of potential future scenarios, which will be driven by stakeholder input.
- It will consider how existing and potential government actions at all levels are impacting the energy landscape.
- It will also consider connection to the British Columbia grid as a potential, long-term option.

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TAB #42

Fall 2023

Planning - Resource

Yukon Energy Corp

Context—this may be an issue because:

- The Opposition has raised questions about whether Yukon Energy is able to complete the projects in the 2016 Integrated Resource Plan.

Background:

- Yukon Energy expects the update to the Resource Plan will be ready by [mid 2025](#).

Approved by:



October 3, 2023

President and CEO, Yukon Energy

Date approved

Planning - strategic

Yukon Development
Corporation

Recommended response:

- The Yukon Development Corporation's Board of Directors is responsible for developing the strategic plans for the Yukon Development Corporation.
- As Minister responsible for the Yukon Development Corporation, I will have the opportunity to review and comment on the plan before it is approved by the Board.

Context—this may be an issue because:

- Yukon Development Corporation's Five-Year Strategic Plan Addendum expired on December 31, 2021, and the Opposition may want to know when it is being updated.

Background:

- The 2015-2020 Strategic Plan was updated with an Addendum in early 2020. The development of a new plan is underway; however, no deadline has been set.
- YDC is also informally participating in the Yukon government's departmental strategic planning process.
- YDC's mandate is also directed by Orders-In-Council under the Yukon Development Corporation Act.

Approved by:



August 30, 2023

President, Yukon Development Corporation

Date approved

Relicensing

Yukon Development
Corporation

Yukon Energy
Corporation

Recommended response:

- Both Yukon government and Yukon Energy Corporation 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:

- 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.
- Discussions are underway with Carcross/Tagish First Nation, Kwanlin Dün First Nation, and Ta'an Kwäch'än Council for the Whitehorse Rapids Generating Station and with the First Nation of Na-Cho Nyäk Dun for the Mayo Generating Station.

Relicensing

Yukon Development
Corporation

Yukon Energy
Corporation

- 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.
-

Context—this may be an issue because:

- An application to the Yukon Environmental and Assessment Board is anticipated to be filed for the Whitehorse Rapids Generating Station by the end of November 2023.
 - An application to the Yukon Environmental and Assessment Board is anticipated to be filed for the Mayo Generating Station in May 2024.
-

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)

- The water licence for the WRGS expires on May 31, 2025.

Session Briefing Note

TAB #44

Fall 2023

Relicensing

Yukon Development
Corporation

Yukon Energy
Corporation

Mayo Generating Station (MGS)

- The water licence for the MGS expires on December 31, 2025.

Approved by:



October 3, 2023

President, Yukon Development Corporation

Date approved



October 3, 2023

President, Yukon Energy Corporation

Date approved

Housing Issues

Yukon Housing Corporation

Recommended response:

- There are challenges the Yukon's housing continuum, including:
 - a lack of affordable rental supply;
 - high house prices and mortgage rates; and
 - homelessness and a lack of access to housing with services.
- Exceptionally high building costs and rising interest rates are creating significant challenges for new housing projects, for both Yukon Housing Corporation and its partners.
- We continue working hard to move projects forward - through collaboration and strong partnerships - to provide relevant solutions to Yukoners' housing needs.

Additional response:

- Our government is seeking to increase housing options across the continuum and to make housing more affordable for Yukoners. (See [Tab #0](#))
- We continue to work to increase housing and land supply and to provide rental subsidies and support programs for homeowners to offer more affordable options for Yukoners.
- Following the 2022 Office of the Auditor General's (OAG) report, the Corporation and Department of Health and Social Services continue to progress implementing the OAG's recommendations. ([Tab #09](#))

Context:

- On a square footage basis, contractors' bids for YHC projects have more than doubled in the last two years alone.
- The rental vacancy rate in the Yukon for all building types is currently 2.2 per cent (YBS Spring Rental Survey).
- The Banks 5-year average mortgage interest rate increased from 4.75 per cent in February 2022 to 6.24 per cent in May 2023 (Weekly Updates).

Housing Issues

Yukon Housing Corporation

Background:

- In 2022-23, the Yukon Housing Corporation lapsed 34 per cent of its revised capital budget.
 - This was largely due to cancellation and scaling back of projects being supported through the corporation's loans and grants programs.
- New housing projects led by YHC's partners – including the Safe at Home Society and the Vimy Heritage Housing Society – continue to face delays.
- The 5th and Rogers RFP received only a single application. It is currently under review.

Approved by:



Colin McDowell
A/ President, Yukon Housing Corporation

September 8, 2023

Date approved

ENV #21 / EMR #36

Fall 2023

Session Briefing Note Our Clean Future Implementation

Environment and Energy,
Mines and Resources

Recommended response:

- Our Clean Future is the Government of Yukon's path to address the climate emergency.
- The strategy is continually being strengthened year after year as we assess our progress, review new research, consider the input of others and identify new and innovative solutions.
- We have committed to an ambitious target of reducing our emissions by 45 per cent below 2010 levels by 2030.
- We have also committed to ensuring the Yukon is highly resilient to the impacts of climate change by 2030, because we know the North will face climate impacts.

Additional response:

- It is important to look back on our progress to date and remain diligent in implementation when it comes to addressing climate change.
- We have legislated greenhouse gas emissions targets and associated reporting through the Clean Energy Act. (See EMR BN #31 / ENV #23)
- We launched the five-year Sustainable Canadian Agricultural Partnership this year which will enhance the agriculture sector's resiliency and adaptation to climate change. (See EMR BN # 20)
- In collaboration with Yukon's public utilities, we exceeded our target to install seven megawatts of renewable electricity capacity through the Micro-Generation program by 2030. (See EMR BN #37)
- We launched the Better Buildings program to offer affordable financing for energy retrofits on Yukoners' homes and buildings.

ENV #21 / EMR #36

Fall 2023

Session Briefing Note Our Clean Future Implementation

Environment and Energy,
Mines and Resources

- We established a geohazard mapping program to understand risks from climate change to the Yukon's transportation corridors.
- We advanced emergency preparedness by progressing on Community Wildfire Protection Plans for Dawson City, Mayo, Watson Lake, Beaver Creek, the Town of Faro and the Kluane Lake Region.
- We have begun work on developing flood maps for all flood-prone Yukon communities. Flood maps for the Southern Lakes, Carmacks, and Teslin will be published this fall and in early 2024. The next communities for flood hazard mapping will be Old Crow, Ross River and Dawson/Klondike, with work occurring in 2024-25.
- We completed the installation of a biomass heating system at Elijah Smith Elementary School in May 2023.

Third response:

- Since the release of Our Clean Future in 2020, 43 actions have been completed, 87 are in progress and six are yet to begin.
- Although we have made progress on many of our commitments, there is still significant work required to meet our 45 per cent greenhouse gas emissions target reduction by 2030.
- We are working with industry to establish a mining emissions intensity target for quartz and placer mining operations.
- 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.
- We will continue to work with experts, stakeholders and partner governments across the territory and beyond, to identify opportunities to accelerate and intensify our efforts to reach our ambitious targets.

ENV #21 / EMR #36

Fall 2023

Session Briefing Note Our Clean Future Implementation

Environment and Energy,
Mines and Resources

- We established the Yukon Climate Leadership Council to provide advice and perspectives to support us in meeting our greenhouse gas emissions targets. We are working to integrate the work of the Council directly into Our Clean Future and continue to implement existing actions that align with their recommendations.
- With the end of the second Yukon Youth Panel on Climate Change in 2022, we are exploring how to continue mentorship opportunities on climate change for the important voice of youth.


Context — this may be an issue because:

- Climate change is of high interest to Yukoners; they will want to know the government's progress in delivering on Our Clean Future commitments.

Background:

- Our Clean Future was released on September 14, 2020.
- Our Clean Future contains 136 actions to reduce greenhouse gas emissions and support the Yukon to be highly resilient to the impacts of climate change by 2030.
- The Our Clean Future 2020 Annual Report was publicly released on August 12, 2021. The 2021 Annual Report was publicly released on September 12, 2022.

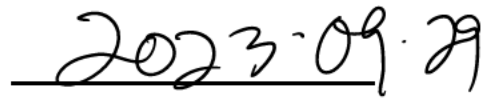
Approved by:



Deputy Minister
Department of Environment



Deputy Minister
Department of Energy, Mines and Resources



Date approved

September 29, 2023

Date approved

Session Briefing Note

Inflation and Affordability (Corporate Note)

Recommended:

- All Yukon households continue to see their budgets stretched by higher prices, with lower-income households often feeling the worst effects.
- At the same time, our government continues to track inflation and its impact on Yukoners, so that we can take steps to ease the burden, as we have been doing for the last year.
- The Government of Yukon continues to work hard to make life more affordable for Yukoners and has announced an extension of the temporary \$150 Inflation Relief Rebate to reduce the impacts that inflation continues to have on Yukoners.
- All non-government residential and commercial electricity customers will see a \$50 credit on their bills starting in November 2023 and running through December 2023 and January 2024.
- Several other measures included in the 2023-24 Budget are helping to make life more affordable for Yukoners.
 - o funding for food in Yukon schools;
 - o the timber harvesting incentive and a support program for commercial fuelwood harvesters and retailers to boost the fuelwood supply;
 - o a quarterly top-up of \$150 to eligible recipients of the Yukon Senior Income Supplement;

Session Briefing Note

Inflation and Affordability

(Corporate Note)

- o a \$100 monthly increase to eligible Social Assistance recipients;
 - o increasing the Yukon Child Benefit to \$867 per child and tying the benefit amount in future years to the rate of inflation; and
 - o a 10 per cent increase to monthly payments to caregivers with children in out of home care.
- The Government of Yukon has also made significant and ongoing financial investments in Early Learning and Child Care. The new Universal Child Care Program has reduced fees to less than \$10 per day on average.

Additional response:

- This government first established a strong record of making life more affordable for Yukoners with almost \$10 million-worth of inflation relief made available in last year's budget.
- This included more funding for Food Network Yukon, a 10 per cent top up to the Pioneer Utility Grant and rebates on the purchase of firewood.
- Yukoners are also receiving inflation relief from the federal government. This includes the accelerated Canada Workers' Benefit, the elimination of interest on student loans, a doubling of the GST tax credit, dental care and the Canada Housing Benefit for renters.

Session Briefing Note

Inflation and Affordability (Corporate Note)

Context—this may be an issue because:

- Inflation has fallen from many decade highs but remains elevated in Canada and in the Yukon.
- Energy prices remain elevated, and higher costs for food and shelter have become prominent drivers of overall inflation in recent months. These are all areas where higher prices are more obvious to consumers.
- Housing affordability has been a concern in the Yukon for several years.
- While remaining above historic norms, inflation of 3.8 per cent in September matched the national figure and was the lowest year-over-year increase in the Whitehorse Consumer Price Index (CPI) since January 2022 (3.7 per cent).

Background:

Key government initiatives addressing inflation in the Yukon

- Our energy programs are successfully encouraging Yukon residents and local businesses to reduce their energy use, save money and choose low carbon options to live and move.
- A significant portion of the Government of Yukon's Five-Year Capital Plan is allocated to housing and land development in order to continue to help address the supply side of the housing equation.
- Yukon Housing Corporation is investing across all parts of the housing continuum, including increase to supportive housing, subsidized Community Housing, and rental subsidy programs.
- This builds on previous programs to improve affordability for Yukoners under previous budgets.
- Last year, the Government of Yukon announced almost \$10 million in new inflation relief measures targeted at vulnerable groups.

Session Briefing Note

Inflation and Affordability

(Corporate Note)

- The inflation relief rebate covered seven months at a total cost to Government of \$7.6 million. The inflation relief rebate automatically applied a \$50 credit to all residential and commercial ATCO Electric Yukon and Yukon Energy electricity bills.
- Yukoners on social assistance received a one-time payment of \$150.
- Seniors were supported by a 10 per cent top up in the Pioneer Utility grant and a one-time payment of \$150 to recipients of the Yukon Seniors Income Supplement.
- Yukoners who heat their homes with wood are eligible for a \$50 rebate per cord of fuel wood purchased from April 1, 2022 to March 31, 2023. Yukon also introduced the Timber Harvesting Incentive that gives commercial timber harvesters \$10 per cubic metre.
- The pilot program that gave an extra \$500 per month to Extended Family Caregiver agreement caregivers and foster caregivers was extended by 6 months to March 31, 2023.
- In June 2022, the Yukon government extended the Tourism Accommodation Sector Supplement and Tourism Non-Accommodation Sector Supplement programs, administered through Economic Development.

Yukoners are also supported by Federal Government affordability programs:

- Accelerated Canada Workers Benefit payments and new minimum entitlement started in July 2023 (\$4 billion over six years, starting in 2022-23).
- All Canada Student Loans and Canada Apprentice Loans became permanently interest-free starting in April 2023 (\$2.7 billion over five years and \$556.3 million ongoing).
- GST Tax Credit: The GST tax credit has doubled for six months in the current benefit year. Additional payment will be provided in one lump sum, before the end of the benefit year. Targeted to individuals and families with low incomes

Session Briefing Note

Inflation and Affordability (Corporate Note)

(below \$39,826, and gradually phased out above that level). Single Canadians without children will receive up to an extra \$234, and couples with two children will receive up to an extra \$467 this year. Seniors will receive an extra \$225 on average.

Government initiatives which are indexed to inflation:

- Higher inflation impacts various government of Yukon programs through indexation, (indexation is updated each April unless otherwise noted), including:
 - o Tobacco Tax is updated each January
 - o Comprehensive Municipal Grant Regulation (with a one-year lag).
 - o The minimum wage.
 - o Subsidies for medical travel.
 - o Pioneer Utility grant.
 - o Residential rent caps.
 - o Seniors benefits (updated each October)
 - o Social Assistance Payments (updated each November)
 - o Student Financial Assistance (updated each school year)

Inflation outlook

- Following record annual inflation for Whitehorse of 6.8 per cent in 2022, the same increase seen nationally, monthly inflation has remained elevated in 2023. [September's inflation of 3.8 per cent was the lowest since January 2022 and matched the national increase. Prior to September, Whitehorse inflation had exceeded the Canadian figure for fourteen consecutive months.](#)

Session Briefing Note

Inflation and Affordability (Corporate Note)

- Early in the recovery from the COVID-19 pandemic, some price pressures were slower to materialize in the Yukon than in other parts of the country, as inflation for Whitehorse was amongst the lowest in Canada in the first half of 2022.
- Robust price growth in the CPI components of food, shelter and recreation, education and reading material have been key drivers of overall inflation in 2023. Stronger growth in these three components in the Whitehorse CPI, account for much of the difference between the overall levels of inflation for Whitehorse and Canada in recent months.
- The Bank of Canada continues to be aggressive in trying to get inflation under control. With a 0.25 percentage point increase in July, the Bank has raised the target for its overnight rate 4.75 percentage points since January 2022. At 5.0 per cent, the overnight rate is at its highest level since early 2001.
- Most forecasters still expect inflation in Canada will move towards historic norms over the next couple of years as the effect of higher interest rates move through the economy. Canadian inflation is expected to decline from near 7 per cent in 2022, to 3.5-4.0 per cent in 2023. Inflation in 2024 is expected to return to within the Bank of Canada's target range of 1-3 per cent.
- While inflation in Whitehorse has been stronger in recent months, it generally follows the national trend. Current expectations are for inflation to come in at 5.5 per cent in 2023, before falling to 2.5 per cent in 2024.

Carbon Taxes and Grocery Prices

- The effect of the carbon tax on CPI has contributed to inflation, but only modestly and mostly through the direct effect on fuel prices.
- According to the Bank of Canada, the direct effect of carbon tax is adding 0.15 percentage points to inflation this year.

Session Briefing Note

Inflation and Affordability

(Corporate Note)

- An economist at the University of Calgary¹, estimates that accounting for indirect effects brings this impact to 0.2 percentage points.
- For food in particular, the entire \$65 per tonne carbon tax increases monthly spending on groceries by at most \$20 per month, and likely closer to \$5 per month after accounting for emissions allowances provided by the federal Output Based Allocation system.²
- Overall, food price increases appear to be predominantly driven by other factors as prices have increased across North America independent of the implementation of a carbon tax.
- In the US, with no carbon tax system in place, food prices have increased by 26 per cent since the carbon tax came into effect in Canada in January 2018. In Canada the increase has been a similar 28 per cent.
- Whitehorse recorded an 18 per cent increase in food prices since January 2018 while Urban Alaska reported a 28 per cent increase.

INFLATION RELIEF ACROSS GOVERNMENT

Programs currently in place:

Tourism and Culture:

Community Tourism Destination Development Fund

- In October 2022, the Department of Tourism and Culture announced the creation of the Community Tourism Destination Development Fund, which is slated to run for an initial 3-year term.
- The new annual funding program is available to local businesses, First Nations governments, First Nation Development entities, municipalities and not-for-profit

¹ Trevor Tombe

² Energy and Environmental Policy Trends: Indirect Carbon Tax Costs Reduced By Policy Design, Kent Fellows and Trevor Tombe, University of Calgary

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Inflation and Affordability

(Corporate Note)

organizations for projects that will improve tourism-related services and infrastructure.

- Projects can focus on infrastructure like accommodations, attractions, activities and amenities, and special consideration will be given to umbrella projects, where multiple organizations are working together.

Creative and Cultural Industries

- In November 2021, the Department of Tourism and Culture released Creative Potential; Advancing the Yukon's Creative and Cultural Industries, a 10-year strategy to support the growth and development of the creative and cultural industries in the Yukon.
- The CCIS identified 4 strategic objectives and 22 key actions, which reflect input gathered through extensive public and sector engagement.
- We also identified 10 actions in support of pandemic recovery to be completed over 3 years as Phase 1 implementation, which includes:
 - Modernizing existing funding;
 - Offering new funding streams;
 - Industry branding and promotion;
 - Marketing and export strategies;
 - Workshops; and
 - Labour market supports.
- In 2023-24, 3 new funding programs will provide \$450,000 annually to the creative and cultural sectors, including:
 - Express Micro-grant;
 - Indigenous Artists and Cultural Carriers Micro-grant; and
 - Creative and Cultural Career Advancement Fund.

Session Briefing Note

Inflation and Affordability

(Corporate Note)

Additional Funding Programs

- Tourism and Culture also provides annual supports to the tourism and culture sectors through Transfer Payment Agreements (TPAs) with many NGOs across the Yukon and through a number of regular funding programs, including:
 - Advanced Artist Award;
 - Arts Fund;
 - Arts Operating Funds;
 - Cultural Industries Training Funds;
 - Culture Quest;
 - New Canadian Events Fund;
 - Touring Artist Fund;
 - Historic Properties Assistance Program;
 - Historic Resources Fund;
 - Museums Contribution Program;
 - Special Projects Capital Assistance Program (SPCAP); and
 - Tourism Cooperative Marketing Fund;

Yukon Development Corporation:

Inflation Relief Rebate

- The Inflation Relief Rebate (IRR) provides \$50 per month to all non-government residential and commercial electricity customers to help ease the impacts of rising inflation.
- The IRR was subsequently extended for March, April, and May 2023. The budget in 2023-24 is comprised of:

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Inflation and Affordability

(Corporate Note)

- \$2,056,000 for program costs in April and May 2023 (costs for March 2023 are included in the 2022-23 Supplementary Estimates #2).
- \$3,246,000 for a further 3 additional months. We will continue to monitor inflation and costs of living, and we anticipate this will show on electricity bills next winter when electricity bills are typically higher.

Economic Development:

Paid sick leave program

- On April 1, 2023, Economic Development launched the Paid Sick Leave Rebate. The program will run 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 is available to employees regardless of whether their employer offers paid sick leave.

Energy, Mines and Resources:

Energy retrofits and funding to improve efficiency and offset costs

- Our energy programs are successfully encouraging Yukon residents and local businesses to reduce their energy use, save money and choose low carbon options to live and move.
- Energy efficiency 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.

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Inflation and Affordability

(Corporate Note)

- For commercial and institutional buildings, the Energy Branch offers rebates for greenhouse gas-reducing retrofits and renewable heating.
- Between January 1, 2018, and June 30, 2023, 176 high-performance retrofits to residential, commercial and institutional buildings have been completed across the territory.
- Innovative programs like the Better Buildings Program, combined with our Good Energy rebates, make energy retrofits more accessible and affordable for Yukoners.
- For First Nation and municipal buildings, the Energy Branch offers retrofit and funding support through its Community Institutional Energy Efficiency Program.
- To help increase the supply of firewood, we distributed \$315,000 to 33 Yukon businesses under the Timber Harvest Incentive program in 2022-23. We are offering this program for another year as it increased timber harvest volumes and prompted new harvesting businesses to emerge. No new applications have been received yet for this year, but we did not anticipate to see them until the fall when the businesses start operating again.
- The Government of Yukon and the Canadian Northern Economic Development Agency combined financial contributions to launch a new \$200,000 support program offering funding for commercial harvesters and retailers.
- The program will help forest sector businesses with the cost of purchases and repairs from local suppliers for harvest equipment, vehicles and trailers, personal protective equipment, and other equipment. For larger harvesting businesses, the funds can also be used for things like planning and administrative costs.
- Applicants have until March 31, 2024, to apply or until available funds are exhausted.

Session Briefing Note

Inflation and Affordability

(Corporate Note)

Yukon Housing Corporation:

Projects under the Five-Year Capital Plan which support housing affordability and those in need include:

- The 47-unit housing complex at 401 Jeckell Street in Whitehorse opened in January 2023. The building provides new homes to Yukoners, including 5 three-bedroom, 12 two-bedroom, 16 one-bedroom and 14 bachelor units.
- A Yukon Housing Corporation Housing Initiatives Fund recipient, Right On Property Group, has completed Boreal Commons, a new 87-unit rental development in Whitehorse's Whistle Bend neighbourhood. This large-scale housing project will help address the need for more rental housing in the Yukon, including for more affordable and accessible units.
- Normandy Living, the Yukon's first private seniors' supportive living community, has officially opened its doors in Whitehorse with 84 modern suites, including housing units for First Nations Elders and affordable units for low-income seniors.
- Triplex housing units in Watson Lake, Mayo and Whitehorse were completed in spring 2022 and are providing affordable homes to families in each of these communities.
- A 10-Plex Mixed-Use Housing complex in Old Crow is under construction.
- Construction of a 10-Plex Housing First Project in Watson Lake started in the summer 2023 and is expected to be completed by fall 2024;
- Two accessible duplexes in Mayo and Carmacks were completed this summer and are now available for YHC clients.

Other highlights from the plan

- More homes will be created for Yukon families in rural communities through the construction of three duplexes in Dawson City and Faro. These homes are on track for completion in summer 2024.

Session Briefing Note

Inflation and Affordability

(Corporate Note)

Health and Social Services:

- A 37.5 per cent top-up to eligible Yukon Senior Income Supplement recipients' monthly payment;
- a \$100 monthly increase to eligible Social Assistance recipients; and
- a 10 per cent increase to monthly payments to caregivers of children in out of home care.

Covid-19 and other temporary inflation relief measures no longer in place:

Tourism and Culture:

COVID-19 Business Relief Programs

- In response to the COVID-19 pandemic, the Government of Yukon acted quickly and decisively by implementing one of the most robust business relief programs in the country. This began with the Yukon Business Relief Program (YBRP) in 2020, which was open to any business from any sector that experienced at least a 30 per cent revenue loss due to the pandemic.
- In that same year, Tourism and Culture (T&C) also launched the Tourism Relief and Recovery Plan (TRRP), which was reviewed and endorsed by the Yukon Tourism Advisory Board (YTAB) and industry.
- The Tourism Relief and Recovery Plan committed \$15 million over 3 years to support the tourism sector and was focused on 4 key themes:
 - Providing tourism sector leadership;
 - Rebuilding confidence and capabilities for tourism;
 - Supporting the recovery of tourism industry operators; and
 - Refining the brand and inspiring travelers to visit.
- Through the TRRP, various financial support programs were rolled out during the course of the pandemic to sustain the tourism industry and prepare it for the eventual reopening of borders, including:

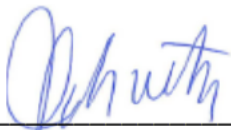
Session Briefing Note
Inflation and Affordability
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- Tourism Accommodation Sector Supplement (TASS);
- Tourism Non-Accommodation Sector Supplement (TNASS);
- Culture and Tourism Non-profit Sector Supplement;
- Great Yukon Summer (GYS) program;
- Great Yukon Summer Freeze program;
- ELEVATE program; and
- A top-up to the Tourism Cooperative Marketing Fund (TCMF).

Health and Social Services:

- a one-time \$150 payment to social assistance recipients;
- a one-time payment of \$150 to Yukon Seniors Income Supplement recipients;
- a one-time 10 per cent additional payment to Pioneer Utility Grant recipients;
- a 6-month extension of \$500 per month to caregivers of children in out of home care; and
- a commitment of \$100,000 to Yukon Anti-Poverty Coalition to continue to support food security across the territory.

Approved by:



Deputy Minister, Finance

October 26, 2023

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 our society.
- Our government is deeply committed to advancing reconciliation through collaboration and partnership with Indigenous governments.
- While there is still more work to do, our efforts are resulting in meaningful change and creating better programs and services for all Yukoners.
- In honour of the National Day for Truth and Reconciliation this year, we shared our progress toward addressing the Truth and Reconciliation Commission's Calls to Action through the release of the Pathways magazine and an accompanying report.
- The magazine and report provide an update on our actions being taken across the Yukon government and in close collaboration with First Nations governments and organizations in areas including child welfare, health, education and justice.

Additional response:

- The Government of Yukon and Yukon First Nations governments are leaders in demonstrating a collaborative approach to reconciliation.
- We will continue our collaborative work to implement and report on the Calls to Action, including through work on 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) Calls to Action.
- CASA 2023 contains a commitment to work with First Nations to continue to implement the TRC recommendations through targeted investment.

**Truth and Reconciliation Commission
– Update on Calls to Action**Executive Council
Office

- It is expected that the media and opposition will be interested in the fall 2023 public update, which will be the first comprehensive public update since 2016.

Background:

- The TRC report, *Honouring the Truth, Reconciling for the Future*, was released in June 2015. It contains 94 Calls to Action focused on redressing the harms resulting from Residential Schools and creating better relations between the federal, provincial and territorial governments and Indigenous Peoples. Thirty-two of the Calls to Action relate directly to YG.
- YG and Yukon First Nations (YFNs) have 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.
- YG 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

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

Executive Council
Office

- receiving input from YFNs on Health and Social Services programming through the Mental Health Advisory Committee (relates to Call 19).

Approved by:



Deputy Minister, Executive Council Office

October 10, 2023

Date

Session Briefing Note (Corporate)**Fall 2023****2023-24 Supplementary Estimates #1**

Finance

Key Information

Recommended response:

- The 2023-24 Supplementary Estimates No. 1 forecasts an overall gross increase of \$132.7 million in O&M spending, with an offsetting increase of \$26.8 million in recoveries. The net increase in new O&M spending is forecast at \$105.9 million.
- Revenues are expected to increase by \$18.7 million, mainly to reflect an increase of \$2 million to the Canada Health Transfer and \$15 million for federal funding for Affordable Housing in the North.
- A large portion of the increase in O&M is for the new collective agreement between the Government of Yukon and Yukon Employee's Union. This new collective agreement was ratified in June and accounts for a \$36.9 million increase in O&M.
- The Supplementary Estimates also respond to several new or unanticipated challenges requiring funding. Some of these items include:
 - \$25.0 million for environmental care and maintenance work at the Minto Mine following the cessation of operations at the site in May, which will ensure that our environment remains protected;
 - \$19.6 million for wildland firefighting costs in response to the significant fire season experienced in the territory and which helped ensure the safety of Yukoners;
 - \$14.9 million in response to operational funding pressures at the Yukon Hospital Corporation to ensure that Yukoners have access to the health care services and supports they need;

Session Briefing Note (Corporate)**2023-24 Supplementary Estimates #1****Key Information**

- \$9.8 million in response to cost pressures for Insured Health to support the wellbeing of Yukoners; and
- \$1.9 million to support the Substance Use Health Emergency Strategy, and \$1.4 million for initiatives to support reconciliation with Yukon First Nations governments.
- The Supplementary Estimates also include a \$21.4 million capital allocation to support the development of a marine services platform in Skagway, which will create positive opportunities for Yukon's mining industry and its broader economy. We have identified offsetting adjustments based on timelines, loan program uptake, and the progress of various capital projects to accommodate this new project without any gross changes to capital spending.
- The Yukon government has maintained its surplus by making use of its contingency fund, included as part of Budget 2023-24. This \$50 million contingency fund helped shelter the government's fiscal position and allowed us to respond to emerging challenges throughout the year. The use of the contingency fund has allowed the government to present a revised surplus of \$3.6 million as part of these Supplementary Estimates.

Additional response:

- Changes in the Supplementary Estimates result in a revised year-end net debt of \$423.8 million.

Session Briefing Note (Corporate)

Fall 2023

2023-24 Supplementary Estimates #1

Finance

Key Information

- The use of the contingency fund will cover the following emergency cost pressures:
 - \$25 million for unplanned maintenance costs at the Minto mine;
 - \$19.6 million for increased wildland firefighting activity.
 - \$2.3 million for other emergency response measures, like the Village of Mayo evacuation in response to the Talbot Creek fire;
 - and \$1.9 million for Substance Use Emergency response.
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Context—this may be an issue because:

- The 2023-24 Second Appropriation Act is tabled in the fall session and will be the subject of debate.
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Background:

- Supplementary Estimates are used annually by a government to account for spending that is unforeseen 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:



Deputy Minister, Finance

September 29, 2023

[Date approved]