

# YUKON DEVELOPMENT CORPORATION

## Supporting Community and First Nation Renewable Energy Projects

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**Session Briefing Note****Spring 2023****Arctic Energy Fund**Yukon Development  
Corporation

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**Recommended response:**

- The federal Arctic Energy Fund provides funding to projects that will result in more efficient, reliable and sustainable energy.
- 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
  - Dome Road Solar Project (Dawson City): \$486,000
  - Kluane N'tsi (wind) Project: \$2 million
- Yukon Development Corporation is working closely with a number of First Nation proponents to identify projects for the balance of the fund.

**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.
- Other projects being considered for funding include solar projects in both on and off-grid communities.
- The Yukon's total budget under the fund is \$36.5M.

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**TAB 1**

**Session Briefing Note**

**Spring 2023**

**Arctic Energy Fund**

Yukon Development  
Corporation

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**Session Briefing Note****Spring 2023****Arctic Energy Fund**Yukon Development  
Corporation

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**Context—this may be an issue because:**

- The opposition has consistently asked about support for renewable energy projects.
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**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.
- Funding is limited to projects in off-grid communities, unless a project begins construction by September 30, 2023.

**Approved by:**

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President, Yukon Development Corporation

**January 31, 2023**

Date approved

**Session Briefing Note****Spring 2023****Innovative Renewable Energy Initiative**Yukon  
Development  
Corporation

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**Recommended response:**

- Yukon Development Corporation is currently accepting applications to the IREI fund for projects in the 2023-24 fiscal year.
- 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 2023-24 contribution to this initiative is \$2 million.
- This past year, we were able to fund eight projects. Of those, five were funded in the construction phase and will result in new power production.

**Additional response:**

- Interest in the Innovative Renewable Energy Initiative has grown each year since its inception in 2018.
- In the 2022-23 fiscal year YDC supported a number of exciting projects across the territory and the fund is nearly fully subscribed.
- The fund is open to receive applications for the 2023-24 fiscal year. I encourage Yukoners to get in touch with my team at Yukon Development Corporation to learn more about the application process.

**Session Briefing Note****Spring 2023****Innovative Renewable Energy Initiative**Yukon  
Development  
Corporation**Context—this may be an issue because:**

- There is significant interest in the development of smaller renewable energy projects in the Yukon with a number of Yukon communities working on any 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.

Project Stage	Proponent	Project	Project Location	Funded
Feasibility	Eavor Yukon	Geothermal Drilling	Across Yukon	\$500,000
	Kluane Lake Research Station	Hydrogen Energy Storage Project	Kluane Lake Research Station	\$150,000
Design	Carcross Tagish Management Corporation	Carcross Solar	Carcross	\$300,000
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

**Session Briefing Note****Spring 2023****Innovative Renewable Energy Initiative**Yukon  
Development  
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Construction	Copper Niisüü LP	Solar	Beaver Creek	\$1,000,000 over two years
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- To date, we have provided over \$6.9 million in project funding, including funds committed this year.
- Major investments between 2018-19 and 2021-22 include:

Community	Proponent	Project	Development Stage	Funded
Destruction Bay / Burwash Landing	Kluane First Nation	Kluane N'tsi Wind Energy Project	Construction	\$432 K
Yukon	Solstice Clean energy Cooperative	Community owned Solar	Feasibility	\$41.25 K
Beaver Creek	Copper Niisuu Limited Partnership	Beaver Creek Solar Project	Construction	\$500 K
Watson Lake	First Kaska	Watson Lake Solar	Construction	\$295.9 K
Dawson City	Klondike Development Corporation	Dome road Solar	Construction	\$83.2 K
Whitehorse	Nomad Electrical and Contracting Services	Mount Sima Solar	Construction	\$72.8 K
Dawson City	ORO Enterprises	Run of River Hydro	Design	\$500 K
Old Crow	Vuntut Gwitchin First Nation	940 KW solar array	Construction	\$500 K
Teslin	Teslin Tlingit Council	Biomass District Heating System	Construction	\$400 K
Whitehorse (Haeckel Hill)	Chu Níkwän Development Corporation	4 MW wind farm	Design	\$485 K
Whitehorse (Mount Sima)	Nomad Electrical and Contracting Services	150 KW solar	Construction	\$200 K

**Session Briefing Note**

**Spring 2023**

**Innovative Renewable Energy Initiative**

Yukon  
Development  
Corporation

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- Funding decisions are done in a manner that is consistent with the objectives and targets within Our Clean Future strategy and the implementation of the Independent Power Producer Policy.

**Approved by:**

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President, Yukon Development Corporation

**January 31, 2023**

Date approved



**Session Briefing Note****Spring 2023****Investing in Canada Infrastructure Program (ICIP) – YEC Projects**Yukon  
Development  
Corporation

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**Recommended response:**

- The Government of Yukon is working with the Government of Canada to develop public infrastructure that will help to mitigate the impact of our territory's continued growth on climate change.
- Under the Investing in Canada Infrastructure Program, we 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 our Government of Canada colleagues, First Nation partners and local stakeholders to ensure our investments in public infrastructure return the best possible economic, environmental and social value to the territory.

**Additional response:**

- Upgrading the Mayo-McQuesten Transmission Line will improve service in the Mayo region and provide renewable energy to the Eagle Gold mine site. It is expected that this project will reduce annual greenhouse gas emissions by up to 53,000 tons each year.

**Session Briefing Note****Spring 2023****Investing in Canada Infrastructure Program (ICIP) – YEC Projects**Yukon  
Development  
Corporation

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- Bringing the Grid-Battery into service will add seven megawatts of renewable capacity and reduce the number of rented diesel units required.
  - The battery vendor for the BESS project is SunGrid Solutions, with a contract value of \$27,333,595.
  - The battery is located on Kwanlin Dun First Nations settlement land. The lease agreement with the Kwanlin Dun First Nations is for 25 years and costs \$1 million.
  - The lot grading is done by Little River Construction, a family-run business by First Nation citizens. The contract totaled \$373,488.
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**Context—this may be an issue because:**

- There have been questions from the opposition regarding progress towards reducing the Yukon's dependence on fossil-fuels.
  - Without the development of new renewable generation capacity and management of our demand for energy, additional diesel and natural gas resources will be required to meet growth in demand for energy.
- 

**Background:**

- 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.

**Session Briefing Note****Spring 2023****Investing in Canada Infrastructure  
Program (ICIP) – YEC Projects**Yukon  
Development  
Corporation

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- YDC and YG have been engaged in ongoing discussions with the Government of Canada around aligning federal programs more closely with Yukon's needs and opportunities for renewable energy projects.

**Approved by:**

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President, Yukon Development Corporation

**March 20, 2023**

Date approved

**Session Briefing Note****Spring 2023****Independent Power  
Production Policy (IPP)**Yukon Development  
Corporation

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**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 new electricity into the main electrical grid or micro-grids in diesel-dependent communities.
- 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 all delivering solar-generated electricity to the utilities.

**Additional response:**

- There is strong and sustained interest in independent power production projects. A number of proposed projects are in approvals and we are impressed by the amount of interest in the program.
- Funding is available for prospective independent power producers through the Arctic Energy Fund and the Innovative Renewable Energy Initiative.
- We are making substantial progress towards our goal of integrating renewable projects in all micro-grid communities. These projects will contribute to our goal of reducing the use of fossil fuels for electricity generation in off-grid communities by 30 per cent by 2030.

**Session Briefing Note****Spring 2023****Independent Power  
Production Policy (IPP)**Yukon Development  
Corporation

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**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.
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**Background:**

- The Independent Power Production Policy includes three programs: the Standing Offer Program; Unsolicited Proposals; and Calls for Power.
- Ten independent power production projects have signed Energy Purchase Agreements with their respective utilities. Of these, four are in active production.
  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. White River First Nation's solar project - Beaver Creek (tbd);
  6. Kluane First Nation's Nt'si wind project - Kluane Lake (tbd);
  7. Arctic Pharm's solar project - Whitehorse (tbd); and
  8. Sunergy's solar project - Haines Junction (tbd).
  9. Chu Níkwän Eagle Hill (Haeckel Hill) I (antic. to be commissioned in 2023)
  10. Chu Níkwän Eagle Hill (Haeckel Hill) II (antic. to be commissioned in 2023)
- Liard First Nation is preparing to develop a significant renewable energy project in Lower Post.
- Energy, Mines and Resources and the Yukon Development Corporation are working closely with other prospective independent power producers and funding agencies to support innovative projects in moving forward.

**Session Briefing Note****Spring 2023****Independent Power  
Production Policy (IPP)**Yukon Development  
Corporation

- There are currently several projects in the approval queue. Yukon Energy Corporation will sign agreements with those that meet all of the program requirements first on a first come, first serve basis. Once the 40 GWh overall limit is reached they will not except any more projects or sign any more agreements.
- A review of the Independent Power Production Policy was completed in July 2022 and the report is publicly available. Discussions are underway with affected stakeholders about how the policy and its programs can be improved to meet the Yukon's energy needs now and in the future.

**Approved by:**

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President, Yukon Development Corporation

January 31, 2023

Date approved

**Session Briefing Note****Spring 2023****Inflation Relief Rebate (IRR)**Yukon Development  
Corporation

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**Recommended response**

- With the onset of rising inflation last winter, our government responded immediately with the temporary Inflation Relief Rebate.
- The Rebate was applied automatically to residential and commercial electricity bills for six months last year. [This meant \\$300 in relief for electrical customers in 2022.](#)
- [Our government has extended the Inflation Relief Rebate for an additional six months, meaning a further \\$300 for customers in 2023.](#)
- The Inflation Relief Rebate [is](#) designed to reach as many Yukoners as possible, as quickly as possible, using existing systems.

**Additional response:**

- [The Inflation Relief Rebate will provide \\$50 each month over three months starting March 1st.](#)
- [We will continue to monitor inflation and costs of living, and we anticipate applying the additional three months of the Rebate in winter when electricity costs are typically higher.](#)
- The Inflation Relief Rebate is in addition to other relief measures, such as increases to legislative grants for low-income earners and seniors.
- Even without the Inflation Relief Rebate and the [existing](#) Interim Electrical Rebate, Yukon's residential electricity bills are the lowest of the three territories.

**Session Briefing Note****Spring 2023****Inflation Relief Rebate (IRR)**Yukon Development  
Corporation

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**Context—this may be an issue because:**

- The Inflation Relief Rebate was raised in the spring and fall legislative sessions, and in news articles. The rebate was framed as inadequate and not applicable to all Yukoners.
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**Background:**

- 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.
- The existing Interim Electrical Rebate also continues to provide 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.



**Session Briefing Note****Spring 2023****Inflation Relief Rebate (IRR)**Yukon Development  
Corporation

Summary of Inflation Relief Rebate costs and coverage:

IRR Round	Cost	Coverage
Round 1	\$3,191,000 (Actual Cost) Included in 2022-23 Supp #1	June, July, August 2022
Round 2	\$3,216,000 (Actual Cost) Included in 2022-23 Supp #2	October, November, December 2022
Round 3	\$3,246,000 (Estimate) \$1,190,000 included in 2022-23 Supp #2 \$2,056,000 included in 2023-24 Main Estimates	March, April, May 2023
Round 4	\$3,246,000 (Estimate) Included in 2023-24 Main Estimates	To be determined

**Approved by:**

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President, Yukon Development Corporation

January 31, 2023

Date approved

**Session Briefing Note****Spring 2023****Interim Electrical  
Rebate (IER)**Yukon Development  
Corporation

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**Recommended response:**

- The Interim Electrical Rebate is extended until March 31, 2024.
- The 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 continuation of this rebate is another way our government is helping Yukoners reduce their monthly electricity bills.

**Additional response:**

- There are no changes to the rate paid per kilowatt hour for this year.
- Even without this rebate, Yukon's residential electricity bills are the lowest of the three territories.

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**Context—this may be an issue because:**

- Changes implemented in June 2021 reduced the amount paid per kilowatt hour. The opposition will want to know if the program is being extended past March 31, 2023 and if the monthly maximum is being reduced again.
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**Session Briefing Note****Spring 2023****Interim Electrical  
Rebate (IER)**Yukon Development  
Corporation**Background:**

- The Interim Electrical Rebate replaced the Rate Stabilization Fund on July 1, 2009 and continues to provide a monthly subsidy to residential electrical customers in Yukon.
- Rebates are automatically applied to residential customer's electrical bills, and are based on electrical usage up to 1,000 kilowatt hours per month. This maximum rebate is \$22.62 per month or \$271.44 per year.
- The Interim Electrical Rebate receives an annual budget of \$3.5 million from the Yukon government (subject to legislative approval). YDC administers payments to both ATCO Electric Yukon and Yukon Energy.
- Program expenditures for fiscal year 2022-23 will be available at fiscal year-end, and will be published in the 2022-23 Yukon Public Accounts in fall 2023. Expenditures in 2021-22 were \$3.35 million.
- The Yukon's electrical rates are lower than those in the Northwest Territories and Nunavut (see chart).

**Approved by:**

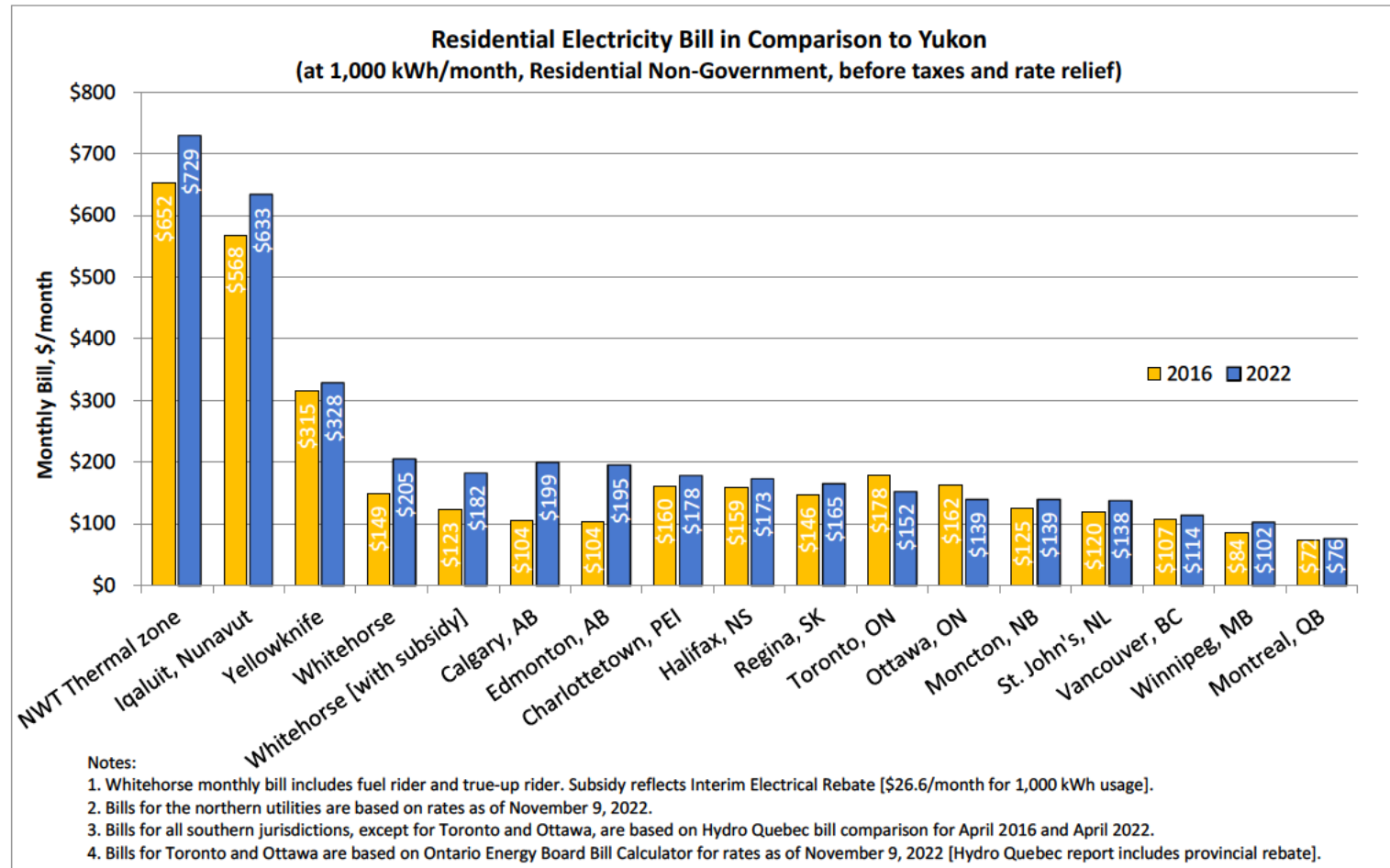
<hr/>	<b>January 31, 2023</b>
President, Yukon Development Corporation	Date approved

Session Briefing Note

Spring 2023

Interim Electrical  
Rebate (IER)

Yukon Development  
Corporation



**Session Briefing Note****Spring 2023****Mayo B Ratepayer Support  
(\$100M Bond)**Yukon Development  
Corporation

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**Recommended response:**

- In 2010, the Yukon Development Corporation secured a \$100 million bond to help finance the construction of the Mayo B Hydro Facility and Carmacks-Stewart Transmission Line.
- Securing this bond helped reduce costs to ratepayers for these important infrastructure upgrades.
- The Mayo B facility has provided reliable and renewable energy to the Yukon's electrical grid since it came into service in 2011.

**Additional response:**

- The bond matures in 2040. At that time, the bond can be paid out, replaced with traditional debt, or renewed for an additional term.
- Because the bond will not mature for another seventeen years, a careful examination of options will be most useful if it is done closer to the maturation date.
- The Yukon government guaranteed a portion of the bond, and the Yukon Development Corporation and government share the interest payments.

**Session Briefing Note****Spring 2023****Mayo B Ratepayer Support  
(\$100M Bond)**Yukon Development  
Corporation

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**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.
- 

**Background:**

- Interest payments on the bond are set at 5 per cent per annum.
- The Yukon government guaranteed \$52.5 million of the \$100 million bond, and agreed to pay the interest on that portion. This currently amounts to \$2.625 million annually, with the Yukon Development Corporation covering the remaining \$2.375 million annually).
- The Yukon government's portion of the interest payments are reflected in the Main Estimates Vote 22 as the Mayo B Rate Support.

**Approved by:**

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President, Yukon Development Corporation

**January 31, 2023**

Date approved

**Session Briefing Note****Spring 2023****ATCO Earnings and  
Rate Relief Measures**Yukon Development  
Corporation

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**Recommended response:**

- Since 2016, ATCO Electric Yukon has earned approximately \$8.4 million more than the target earnings set by Yukon Utilities Board.
- The Yukon Utilities Board sets earnings targets through General Rate Applications based on forecast revenues and spending. Forecasts are then aligned with actual performance at the next General Rate Application.
- While our government respects the independence of the Yukon Utilities Board and its processes, we see it as prudent to properly align the utility's rates with forecast revenues.
- From my conversations with ATCO Electric Yukon, the utility shares this view and is working towards addressing any misalignment.

**Additional response:**

- Our government will continue to work with the utility to ensure the interests of the Yukon's rate payers are considered and protected.
- We recognize ATCO Electric Yukon's efforts to bring forward rate relief measures to the Yukon Utilities Board in response to these excess earnings.
- However, given the magnitude of ATCO Electric Yukon's earnings in recent years, the rate relief measures do not go far enough. I will defer, however, to the processes of the Yukon Utilities Board to resolve this issue.

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**Context—this may be an issue because:**

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**Session Briefing Note****Spring 2023****ATCO Earnings and  
Rate Relief Measures**Yukon Development  
Corporation

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- The NDP have 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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**Background:**

- ATCO Electric Yukon's last application was in 2016-17.
- In response to public attention and interventions by Yukon government, ATCO Electric Yukon submitted two rate relief measures to the Yukon Utilities Board in 2022.
- The YUB accepted most of ATCO Yukon's proposed relief measures, varying the disbursement of some of those rebates:
  - Rate Case Reserve Fund, which will return \$1.3 million that has accumulated in the utility's regulatory expenses fund to all rate classes effective December 01, 2022. For residential customers this means a reduction of 3.4 per cent on their bills, or \$5.11.
  - Rider R Industrial Revenue Rate Relief, which will return ATCO Yukon's revenue from mining customers to all non-government residential and commercial rate payers on a go-forward basis, effective at a later date once the reserve fund reaches \$250,000.
- The Yukon's electricity rates remain the lowest of the northern territories.
- In response to rising inflation, the Yukon government implemented a number of relief measures, including the Inflation Relief Rebate.
  - The Inflation Relief Rebate represents \$300 applied automatically to all non-government residential and commercial electricity customers' bills over six months (June, July, August and October, November, December).
  - ATCO Yukon administers the Inflation Relief Rebate through its billing system, and Yukon Development Corporation worked in partnership with ACTO to implement the Rebate. ATCO Yukon did not receive any funding for administering the Inflation Relief Rebate.

**Approved by:**

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**January 31, 2023**



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**TAB 8**

**Session Briefing Note**

**Spring 2023**

**ATCO Earnings and  
Rate Relief Measures**

Yukon Development  
Corporation

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President, Yukon Development Corporation	Date approved
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**Session Briefing Note****Spring 2023****Advancing Yukon Energy's 10-Year Renewable Electricity Plan**Yukon  
Development  
Corporation**Recommended response:**

- Yukon Energy's 10-Year Renewable Electricity Plan supports the Yukon government's aspirational goal of achieving 97 per cent of electricity on the main grid to come from renewable sources by 2030.
- This Plan prioritizes projects that will introduce new dependable winter capacity, bringing clean power onto the main electrical grid when Yukoners need it most.
- Yukon Development Corporation is working closely to support the implementation of the major projects in the plan including the Atlin Hydro Expansion Project, Moon Lake Pumped Storage Facility and Southern Lakes Transmission Network.

**Additional response:**

- Implementation of this Plan will require close partnerships with the Government of Canada, the Province of British Columbia and Yukon First Nations.
- The Government of Canada has committed to providing funding for the major projects described in the Plan, most notably for the Atlin Hydro Expansion Project.
- Yukon Development Corporation is working with our partners at Energy Mines and Resources to advance the BC grid interconnect.

**Session Briefing Note****Spring 2023****Advancing Yukon Energy's 10-Year  
Renewable Electricity Plan**Yukon  
Development  
Corporation

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**Context—this may be an issue because:**

- There are very few other large scale renewable energy generation opportunities that are available on the main Yukon grid.
- The implementation of the plan is crucial to meeting the goals outlined in Our Clean Future.

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**Background:**

- The Plan was developed by Yukon Energy Corporation in response to the targets outlined in the Our Clean Future strategy.
- Reaching the aspirational target of 97 per cent renewable electricity on Yukon's main grid will account for 46 per cent of the Government of Yukon's greenhouse gas reduction target in Our Clean Future.
- Currently, Yukon Energy's renewable generation capacity is being exceeded during the winter months. This has resulted in the increased utilization of fossil fuels for electricity generation.
- Demand for electricity is forecast to continue growing, this will increase the dependence on fossil-fuels unless renewable energy generation capacity is increased.
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**Approved by:**

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President, Yukon Development Corporation

**January 31, 2023**

Date approved

**Session Briefing Note****Spring 2023****Atlin Hydro Expansion Project**Yukon Development  
Corporation

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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 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.
- With shovels expected in the ground this spring, the project is anticipated to be online in the fall of 2025.

**Additional response:**

- While the Atlin Project has received significant grant funding, inflation and supply chain disruptions have increased costs, resulting in a funding gap.
- Yukon Development Corporation is working with the project proponent, Tlingit Homeland Energy Limited Partnership and the

## Session Briefing Note

**Spring 2023**

### Atlin Hydro Expansion Project

Yukon Development  
Corporation

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governments of Canada and British Columbia to help ensure the project moves forward.

- We understand that the Proponent has built in some contingency in the new grant funding ask to account for further price increases and an interest rate increase on their Canada Infrastructure Bank loan.
- Through this project, our government has the opportunity to advance economic reconciliation with both the Taku River Tlingit and Carcross/Tagish First Nations.

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#### Context—this may be an issue because:

- The Atlin project was referenced in YDC's mandate letter and Yukon Energy's 10-Year Renewable Electricity Plan.
  - The funding gap received a lot of attention in the media and from the Opposition during the fall 2022 legislative session.
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#### Background:

##### Project Funding and Commissioning Date

- The total project cost is estimated to be up to \$360 million, which includes a \$20 million contingency for price increases when contractor and supplier quotes are refreshed and \$30 million to account for up to a 2 per cent 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)

**Session Briefing Note****Spring 2023****Atlin Hydro Expansion Project**Yukon Development  
Corporation

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- 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](#). This takes into account potential cost increases when the supplier and contractor quotes are refreshed.
- The current project schedule indicates the commissioning date is October 2025. This assumes the funding stack will be completed by March 2023. Should there remain a funding gap at that time, the commissioning date would slip at least another year to October 2026 or beyond.

Technical Specifications

- The Atlin Project is expected to add 8.75 megawatts of dependable capacity to the Yukon's main grid, primarily in winter (September – May) when peak electrical demand occurs.
- The project will eliminate the need for four rental diesels and generate about 34 gigawatt hours of electricity each year. It is also expected to reduce greenhouse gas emissions by an estimated 27,500 tonnes per year.
- 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.

Environmental Review Processes

- The project is reviewable under the BC Clean Energy Project Development Plan process. The process is ongoing and permits are expected to be issued by May 2023.
- The Project does not trigger review under the *BC Environmental Assessment Act* (BCEAA) or the *Impact Assessment Act* (IAA).
- The YESAB permitting process is ongoing. YG is concluding its consultation with C/TFN and will issue a Decision Document shortly thereafter. Canada is undertaking Crown Consultation prior to issuing its Decision Document.

**Session Briefing Note****Spring 2023****Atlin Hydro Expansion Project**Yukon Development  
Corporation

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Electricity Purchase Agreement

- Yukon Energy has signed an Electricity Purchase Agreement (EPA) with THELP.
- The project does not fall under the Independent Power Producer (IPP) Policy; however, the EPA was reviewed by the Yukon Utilities Board (YUB). In its review, the YUB concluded that the project was necessary for Yukon government to meet its climate change goals.

Benefits of the Project

- Reduction of nine million liters of diesel per year for electrical generation in the Yukon.
- Reduction of greenhouse gas emissions in the Yukon by 27,500 tonnes per year.
- Creation of 176 full-time employment positions during the construction phase of the project, and another six to eight positions for operations and maintenance over the project life span.
- As part of the 2021 Confidence and Supply Agreement, Yukon government committed to increase its greenhouse gas emission reduction target from 30 per cent to 45 per cent by 2030 (as compared to 2010 emissions).
  - While the Atlin project will displace the need for additional diesel units under current load, several other major projects and initiatives will need to be realized in the coming years to meet this new target, including the Moon Lake Pump Storage project.
- The Project will have real benefits for TRTFN and C/TFN citizens and is a meaningful step towards economic reconciliation.

**Approved by:**  
  
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President, Yukon Development Corporation

**February 28, 2023**

Date approved

**Session Briefing Note****Spring 2023****Supporting New Legacy  
Renewable Energy Projects**Yukon Development  
Corporation

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**Recommended response:**

- Yukon Development Corporation is working closely with First Nation and community partners to advance new legacy energy projects across the territory.
- Through the Arctic Energy Fund and the Innovative Renewable Energy Initiative, our government is making strategic investments that are resulting in transformative change in the energy sector.
- Working with First Nation partners in every off-grid community, our government has invested almost [5 million dollars](#) in solar or wind projects paired with battery storage.
- Our government is also making significant investments into the grid connected projects, such as:
  - [Thirteen million dollars](#) into the Haeckel Hill Wind Project, which will add four megawatts of capacity; and
  - [Fifty million dollars](#) into the Atlin Hydro Expansion Project, which will add eight and half megawatts of dependable winter capacity.
- These investments [into First Nation-led projects](#) not only help reduce the Yukon's reliance on fossil fuels, but will also help advance economic reconciliation.

**Additional response:**



**Session Briefing Note****Spring 2023****Supporting New Legacy  
Renewable Energy Projects**Yukon Development  
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- These projects will help the Yukon reach the following targets set in *Our Clean Future*:
    - 30 per cent reduction in diesel electricity generation in off-grid communities.
    - 97 per cent renewable electricity on the main grid.
  - Advancing these projects has also required close collaboration with the both Yukon Energy and ATCO Electric Yukon and federal and territorial funding partners.
- 

**Context—this may be an issue because:**

- The Opposition may question how Yukon government is going to meet its on- and off-grid renewable electricity targets as committed to in *Our Clean Future*.
- 

**Background:**

- Yukon Development Corporation manages the Innovative Renewable Energy Initiative and the Arctic Energy Fund, which enables the Corporation to provide financial and technical support for Yukon First Nations, municipalities and community organizations to undertake community-led renewable energy projects.
- The Arctic Energy Fund is a funding stream under the Investing in Canada Infrastructure Program and has a total budget of \$36.5 million.
- The Innovative Renewable Energy Initiative has a budget of \$2 million in 2023-24 and funds community-led renewable energy projects from feasibility through to construction.
- Below is a summary of the strategic investments made into new renewable energy legacy projects:

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Supporting New Legacy  
Renewable Energy ProjectsYukon Development  
Corporation

Project	Proponent	Energy Source	Community	AEF Investment	IREI Investment
<b>Off-grid Projects</b>					
Old Crow Solar	Vuntut Gwitchin First Nation	Solar and Battery	Old Crow	-	\$500 thousand
Saa' Se Solar (Beaver Creek)	Copper Nisūū LP (White River First Nation)	Solar and Battery	Beaver Creek	-	\$1.5 million
Kluane N'tsi Wind	Kluane First Nation	Wind and Battery	Burwash Landing and Destruction Bay	\$2 million	\$432 thousand
Sade Solar (Watson Lake)	First Kaska GP (Liard First Nation)	Solar and Battery	Watson Lake	TBD	\$500 thousand
<b>On-grid Projects</b>					
Haeckel Hill Wind	Eagle Hill LP (Kwanlin Dūn First Nation)	Wind	Whitehorse	\$13.07 million	
Atlin Hydro Expansion	Tlingit Homeland Energy LP (Taku River Tlingit First Nation)	Hydro	Yukon	\$50 million commitment outside of programs	

Approved by:

February 27, 2023

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**TAB 11**

**Session Briefing Note**

**Spring 2023**

**Supporting New Legacy  
Renewable Energy Projects**

Yukon Development  
Corporation

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President, Yukon Development Corporation	Date approved
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**Session Briefing Note****Spring 2023****Our Clean Future – YDC Actions**Yukon  
Development  
Corporation

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**Recommended response:**

- Yukon Development Corporation is working with Yukon Energy and the Government of Yukon to meet the renewable energy generation targets set out in the Our Clean Future strategy.
- We are working closely with Yukon Energy to implement its 10-Year Renewable Electricity Plan to achieve the 2030 target of ensuring 97 per cent of electricity on the main grid comes from renewable sources.
- In addition, our government will continue to work with First Nations governments, municipalities and community-based organizations to reduce our dependence on fossil fuels through investing in new renewable energy projects in both on- and off-grid communities.
- To further smooth the path 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:**

- Providing legislative support for the Yukon's utilities to deliver demand-side management programs resulted in the creation of a working group in early 2021 government and industry stakeholders.

**Session Briefing Note**

**Spring 2023**

**Our Clean Future – YDC Actions**

Yukon  
Development  
Corporation

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**Context—this may be an issue because:**

- The Opposition may question the aspirational target to achieve 97 per cent of electricity generation on the Yukon's main grid from renewable sources by 2030.
- The Opposition may also question the status of the framework being developed.

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**Background:**

- Yukon Development Corporation has committed to the following actions within Our Clean Future:
  - Provide direction to the Yukon Utilities Board in 2020 to allow Yukon's public utilities to partner with the Government of Yukon to pursue cost-effective demand-side management measures (**completed**).
  - While aiming for an aspirational target of 97 per cent by 2030, develop legislation by 2023 that will require at least 93 per cent of the electricity generated on the Yukon Integrated System to come from renewable sources, calculated as a long-term rolling average.
  - Continue to provide financial and technical support for Yukon First Nations, municipalities and community organizations to undertake community-led renewable energy projects.
  - Develop a framework by 2022 for First Nations to economically participate in renewable electricity projects developed by Yukon's public utilities.

**Approved by:**

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President, Yukon Development Corporation

**January 31, 2023**

Date approved

**Session Briefing Note****Spring 2023****YEC 2022 Debt Allocation**Yukon Development  
Corporation

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**Recommended response:**

- Growth in the Yukon's population and economy as well as electrification policies to meet climate change mitigation goals are driving increased demand for electricity.
- As a result, the Government of Yukon approved increases of nearly \$18 million dollars of long-term debt and \$22 million dollars in line of credit for Yukon Energy in 2022.
- 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, and maintain existing infrastructure.

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**Context—this may be an issue because:**

- YDC/YEC holds the majority of debt that is currently counted towards the territory's debt cap.
  - YEC needs to continue to invest in new capacity, this is likely to increase debt cap pressure in the future.
- 

**Approved by:**

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**January 31, 2023**

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**TAB 13**

**Session Briefing Note**

**Spring 2023**

**YEC 2022 Debt Allocation**

Yukon Development  
Corporation

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President, Yukon Development Corporation	Date approved
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### YDC Financial Position and Public Accounts

Yukon Development  
Corporation

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#### 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 can be found in Note 14 of the Yukon Development Corporation's consolidated financial statements, these are also included in Part III of Yukon's Public Accounts.
- I would also note 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:

- 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.



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## Session Briefing Note

**TAB 14**  
**Spring 2023**

### **YDC Financial Position and Public Accounts**

Yukon Development  
Corporation

- 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.

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#### **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.
- 

#### **Background:**

- 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:**

**January 31, 2023**

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**Session Briefing Note**

**TAB 14**  
**Spring 2023**

**YDC Financial Position and  
Public Accounts**

Yukon Development  
Corporation

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President, Yukon Development Corporation
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Date approved
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