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

Recommended response:

- The Atlin Hydroelectric Expansion Project is not included in the 2024-2025 Budget, as the Proponent works to finalize requirements that need to be put in place before the Project is ready to receive government funding.
- We remain committed to the Project and when the preconditions for funding are met, we stand by ready to invest.
- The Yukon Development Corporation continues to work with the Government of Canada and the Proponent to identify funding opportunities.

Additional response:

- As the largest Indigenous proponent-led energy project that the Yukon has been involved with to date, it is also teaching us many lessons that will be applied as additional projects are advanced to fill the widening renewable energy gap.
- These preconditions for Yukon Development Corporation disbursing the funding to the Proponent, include: receipt of all permits and authorizations required for construction, execution of the Credit Agreement with the Canadian Infrastructure Bank, clear decision in support of the Project from Taku River Tlingit First Nation, and the funding is secured to cover the estimated cost of construction.
- We applaud the Proponent and the Taku River First Nation for their efforts to get the Project to this state of readiness and we are committed to strong and enduring partnerships with First Nations

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Atlin

Yukon Development
Corporation

proponents, governments, and communities in the energy economy in the Yukon.

- As the Project continues through the development phase, there is continual due diligence being done to ensure that the Project will bring the expected benefits to Yukoners in a manner that advances climate change goals, and is also affordable and reliable.
- The Proponent estimates that there remains a funding gap of between \$80-95 million, depending on the interest rate to be charged on the loan from the Canadian Infrastructure Bank.

If asked about the Transfer Payment Agreement:

- The Proponent requested an amendment to the TPA that would allow a broader range of permitting-related expenses to be supported.
- This amendment allowed the Proponent to align multiple federal and provincial funding sources more effectively.
- With this amendment the Proponent reports that they have expended the full \$2 million allocation in 2023/2024.

Context—this may be an issue because:

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

Background:

Prepared for Minister Streicker
Yukon Development Corporation

Date prepared: February 1, 2024
Last updated: April 8, 2024
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Atlin

Yukon Development
Corporation

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

Table 1: 2024 Repricing Results (\$ millions)

Construction Costs	\$267	
Contingency	\$42	
Max. Required for Construction (CIB interest rate 1%)		\$309
Interest Rate Sensitivity (Cost per incremental 1%)	\$15	
Max. Required for Construction (CIB interest rate 2%)		\$324

- There is currently \$226.4 million notionally committed from the Government of Canada, Yukon government, Canadian Infrastructure Bank, and Taku River Tlingit First Nation equity.
- Between \$80 million and \$95 million is required to close the funding gap, depending on the interest rate used in the CIB credit agreement.
- Yukon government has articulated that the following preconditions must be met prior to disbursing funds for the project:
 - receipt of all permits and authorizations required for construction,
 - execution of the credit agreement with the Canadian Infrastructure Bank,

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Spring 2024

Atlin

Yukon Development
Corporation

- clear decision in support of the project from Taku River Tlingit First Nation,
- conclusion of consultation by all governments, and
- securing the full cost of construction.

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

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

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

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

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Atlin

Yukon Development
Corporation

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

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

Approved by:

2024.04.10

President, Yukon Development Corporation

Date approved

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

Recommended response:

- Construction for the battery is expected to be completed by the end of this year.
- 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 maximum power output of the battery will be reduced from the original 20 megawatts by approximately ten percent because of system losses between the battery location and the point of connection with the grid. There will be 20MW of batteries installed but less than 20 MW available.
- As this was a fixed price contract, the cost of the battery will also be reduced.
- 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.
- Once the battery is operational, Yukon Energy will test and use the battery in the winter, before phasing out rental diesel generators to ensure reliable electricity service.
- Yukon Energy recognizes that a much larger battery to support load growth will need to be added to the system in the near future. Planning for this work will begin soon.

Session Briefing Note

Battery

TAB #2

Spring 2024

Yukon Development
Corporation

Yukon Energy
Corporation

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.
- 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 Battery land lease cost \$1.004 million in 2022 for a 25-year term.

Session Briefing Note
Battery

TAB #2
Spring 2024

Yukon Development
Corporation
Yukon Energy
Corporation

Approved by:

April 25, 2024

President, Yukon Development Corporation

Date approved

April 25, 2024

President and CEO, Yukon Energy

Date approved

Recommended response:

- On average, over 90% of the electricity Yukon Energy generates each year comes from renewable sources, 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.
- On January 12, 2024, the YESAB Executive Committee notified Yukon Energy that the project would not be subject to an Executive Committee Screening, but rather could proceed through a Designated Office Evaluation.

Mayo

- There are five rental diesel generators in Mayo this winter, in addition to the downtown permanent generators.
- Yukon Energy sought to permit 4.9 megawatts of rental diesel generation in Mayo as that is how much additional capacity is needed at this time.
- The rental units are 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 was 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.
- Yukon Energy will also be renewing its permits for its downtown Mayo diesel site and will be submitting its proposal to YESAB in the coming months.

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.
- Yukon Energy will also be renewing its permits for its downtown Dawson diesel site and will be submitting its proposal to YESAB in the coming months.

Session Briefing Note

TAB #3
Spring 2024

Diesels

Yukon Energy Corp

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.

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:

President and CEO, Yukon Energy

April 10, 2024

Date approved

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

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

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.
- 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.
- [YESAB's Executive Committee is accepting public comments on the Project Proposal Guideline Response until April 26.](#)

Faro

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

Context—this may be an issue because:

- Yukon Energy previously stated it would not be adding more diesel generators; however it will now be adding more diesel capacity in Dawson.

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.

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TAB #4
Spring 2024

Diesel Replacements

Yukon Energy Corp

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

- 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:

President and CEO, Yukon Energy

April 10, 2024

Date approved

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.
- 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.
- 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 winter, Yukon Energy rented 22 diesel generators:
 - 10 units + 0 spares in Whitehorse
 - 7 units + 0 spares in Faro
 - 3 units + 2 spares in Mayo
- Next winter, Yukon Energy will also need to rent 22 diesel generators.
- The location of these generators is still being determined.
- Yukon Energy expects the diesel rentals will continue until permanent renewable and/or thermal capacity is developed and in place to displace diesel rentals.
- 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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Spring 2024

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	

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TAB #5

Spring 2024

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:

President and CEO, Yukon Energy

Feb 20, 2024

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.
- As a way to minimize larger increases, Yukon Energy proposed about a 3% increase to average monthly residential bills in fall 2023, and another 3% increase to monthly residential bills in August 2024.
- 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.
- Thus far, the Yukon Utilities Board has approved a 6.3% increase to average monthly residential bills effective January 1, 2024; however this was offset by a fuel rider that came off bills.
- With ATCO's rate increase included, there has been a 0.3% increase to average monthly residential bills effective January 1, 2024.

Additional response:

- 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.
- 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:

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

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TAB #6
Spring 2024

GRA YEC

Yukon Energy Corp

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

Approved by YUB and effective January 1, 2024:

Date of rate adjustment	Utility	Rate increase	Bill impact (to residential customers using 1,000 kWh/month)
January 1, 2024	ATCO	Rider R - 2.5%	1.6% increase
	YEC	Rider J – 10%	6.3% increase
	YEC/ATCO	Rider F (fuel) reduced to 0	7.6% reduction
Net bill change:			0.3% increase

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

Approved by:

President and CEO, Yukon Energy

March 7, 2024

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:

- On January 1, 2024 new rates came into effect, as approved by the Yukon Utilities Board.
- Between 2016 and 2023, Atco Electric Yukon (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.
- The Yukon New Democratic Party have intervened in the Yukon Utilities Board proceeding and has raised concerns through that process, particularly related to AEY's past over-earnings.

Background:

- The following changes came into effect on January 1, 2024:
 - Rider F, Fuel Adjustment Rider, has been changed from 1.635¢/kWh to 0.0¢/kWh
 - Rider R, AEY Rate Adjustment Rider, has been changed from 8.3% to 10.8% (reference YUB Order 2023-22)
 - Rider J, YEC Revenue Shortfall Rate Rider, has been changed from 34.84% to 44.84% (reference YUB Order 2023-23)
 - Rate 32 – Secondary Energy has changed from 11.2¢/kWh to 11.6¢/kWh
 - Rate 43 – Wholesale Secondary has changed from 10.1¢/kWh to 10.5¢/kWh.
- Board Order 2023-22 issued on September 15, 2023, includes:
 - Approval of a 10.80% refundable rate adjustment to Rider R, effective January 1, 2024, which is below the 13.50% requested by AEY for January 1, 2024 and 6.68% for August 1, 2023.
 - Assessment that AEY's argument that interim rate proposals supported rate stability did not hold.
 - Direction to AEY to refund or otherwise enable customers to recover any difference between amounts collected according to the interim refundable rates and those finally approved by the Yukon Utilities Board.
- The Yukon Utilities Board held a hearing for the General Rate Application on November 27-30, 2023.
- In its intervention, the Yukon New Democratic Party did not accept AEY's calculations, as fuel prices were not included. The NDP recommended that AEY refund to customers all dollars in excess of approved earnings over the past eight years.
- In Board Order 2023-22, the Yukon Utilities Board agreed with AEY that comments regarding earnings prior to 2023 were "...retroactive rate making..." and that they would "... not be considered by the Board."

Session Briefing Note

TAB #7
Spring 2024

GRA ATCO

Yukon Development
Corporation

- On October 4, 2023, the Yukon Utilities Board responded to an Information Request from the Yukon New Democratic Party that posed a question directly to the board. The letter indicated that the Yukon Utilities Board would not be responding to the Information Request, to protect their independence and to adhere to the *Rules of Practice*, which make it clear that the board is not to be a party to the proceedings.
- AEY's application [sought](#) approvals related to:
 - Revenue requirements for the 2023/2024 Test Period;
 - Deferral accounts;
 - Changes to Rider R in two installments (August 1, 2023 and January 1, 2024); and
 - Other reliefs that the Board may view as appropriate.

Approved by:

March 5, 2024

President, Yukon Development Corporation

Date approved

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 was a temporary measure to address inflation. The Inflation Relief Rebate was most recently applied to all ATCO Electric Yukon and Yukon Energy bills for November and December 2023, and January 2024.
- 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, 2025.
- There are not currently plans to extend the Inflation Relief Rebate. It remains a flexible tool, which can be revisited as needed.
- 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.

Ratepayer Supports

Yukon Development
Corporation

- Both ATCO Electric Yukon and Yukon Energy Corporation have filed General Rate Applications, which will increase the rates billed to customers, which has raised 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.
 - There are not currently plans to apply the rebate after January 2024.s
- 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

Session Briefing Note

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Spring 2024

Ratepayer Supports

Yukon Development
Corporation

- 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).

Approved by:

January 31, 2024

President, Yukon Development Corporation

Date approved

Recommended response:

- Yukon Energy works hard to ensure reliable service for all Yukoners. But like any jurisdiction in Canada, power outages happen.
- Outages in the Yukon are generally much shorter than outages in 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.
- 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.

Aishihik

- On January 31, 2024 Yukon Energy took its Aishihik hydro plant offline due to ice build-up at the plant's intake.
- The Aishihik plant is the Yukon's largest source of electricity.
- No outages were caused by taking Aishihik offline.
- While the Aishihik facility was offline, Yukon Energy had 20 megawatts of surplus capacity available.
 - This was a result of reduced generation capacity available on the system.
- Yukon Energy used its thermal resources to ensure Yukoners had enough electricity while the Aishihik plant was offline.
- Yukon Energy continues to update its planning criteria due to increasing pressure on the electricity system.
- The situation reinforced that Yukon Energy needs to continue to build a more resilient system.

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's N-1 planning standard accounts for Yukon Energy's largest generation source, the Aishihik hydro facility and the connected transmission line, being unavailable.

Session Briefing Note

TAB #9
Spring 2024

Outages

Yukon Energy Corp

- In this scenario, to address the capacity shortfall, Yukon Energy could:
 - use ATCO's diesel assets;
 - request mines curtail electricity use;
 - ask high load users like territorial or municipal governments to curtail electricity use or self-generate electricity; and/or
 - ask Yukoners to stop all non-essential electricity use.
- The last resort in an N-1 scenario would be rolling blackouts.

Approved by:

President, Yukon Energy Corporation

Feb 20, 2024

Date approved

Session Briefing Note
BC Grid Intertie

EMR #7/YDC #10
Spring 2024

Energy, Mines and
Resources and Yukon
Development Corporation

Recommended response:

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

Additional response:

- We are also looking at technical feasibility and options, potential cost and funding opportunities.
- Connecting the Yukon to British Columbia's electrical grid is a nation building opportunity that will advance arctic security; foster shared growth, prosperity, and reconciliation and reduce greenhouse gas emissions from fossil fuel use.
- Increasing power supply availability by connecting to British Columbia's electrical grid will also help facilitate sustainable critical mineral development in the Yukon that will support the global transition away from fossil fuels.

Session Briefing Note

BC Grid Intertie

EMR #7/YDC #10
Spring 2024

Energy, Mines and
Resources and Yukon
Development Corporation

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:

- Work on the feasibility of the grid intertie project will require the completion of a new development plan with updated costing.
- In February an application was made to the Critical Mineral Infrastructure Fund requesting up to \$40 million over the next four years to support pre-feasibility and engagement for this project.
- In the coming weeks the department of Energy, Mines and Resources plans to release a request for proposals to a qualified firm for the purpose of completing the pre-conceptual design and revised cost estimates for the project. Results of this work are scheduled to be completed in 2025.
- At the March and September 2023 Yukon Forum meetings, leadership discussed the potential to connect the Yukon and British Columbia grids. This discussion represents the beginning of the government's collaboration on the project.
- The grid intertie project was also presented at the Yukon First Nations' Energy Summit in October 2023 and was discussed at the Regional Energy and Resource Table meetings in January and April 2024.
- In 2022, approximately 92 per cent of electricity on the main grid was obtained from renewable energy sources.
- Renewable electricity, especially hydroelectricity, accounted for approximately 80 per cent of the Yukon's total electricity generation in 2022.
- One of the new actions added to Our Clean Future includes a commitment to complete an updated development plan and alternatives analysis for the Yukon-British Columbia grid intertie project by the end of 2025.

Session Briefing Note
BC Grid Intertie

EMR #7/YDC #10
Spring 2024

Energy, Mines and
Resources and Yukon
Development Corporation

- In 2019, Midgard Consulting produced the 'Yukon-British Columbia Interconnection Development Plan.' The report identified the project's objectives, a proposed development approach and a very preliminary cost estimate.

Approved by:

May 2, 2024

Deputy Minister
Department of Energy, Mines and Resources

Date approved

May 2, 2024

President and CEO
Yukon Development Corporation

Date approved

Session Briefing Note

Micro-generation

Spring 2024

Energy, Mines and
Resources and Yukon
Development Corporation

Recommended response:

- The Government of Yukon is committed to sustainable and effective renewable electricity solutions that meet the growing needs of the territory.
- The micro-generation program has seen strong uptake and popularity throughout the Yukon since it was launched in October 2013.
- Yukoners are installing renewable energy generating systems at such a high rate that we have achieved our 2030 micro-generation target of 7 megawatts seven years ahead of schedule.
- We have paused intake for the micro-generation program within the Whitehorse and Southern Lakes area to address utility concerns about integrating high penetrations of grid-tied solar generation.

Additional response:

- The Government of Yukon is working with public utilities to study how variable renewable energy can continue to be safely added to the grid while ensuring the reliability of Yukon's electricity infrastructure.
- There are currently over 9 megawatts of direct current renewable energy generating capacity installed.

Context — this may be an issue because:

- The micro-generation program was paused in December 2023.

Background:

Session Briefing Note

Micro-generation

Spring 2024

Energy, Mines and
Resources and Yukon
Development Corporation

- Our Clean Future (action E10) targets 7 megawatts of installed renewable electricity capacity by 2030 through micro-generation. As of December 2023, there were 816 micro-generators connected to the Yukon utility grid generating 9.5 megawatts direct current capacity. This is enough energy to supply about 1.7 per cent of the Yukon's five-year average annual electricity generation. (See [BN #33](#))
- Under the micro-generation program, eight First Nation governments and four First Nations Development Corporations have installed 110 renewable energy generating systems on institutional, commercial and residential buildings throughout the Yukon.
- The micro-generation program has been active since October 2013 and was designed to allow Yukoners to connect their home or business renewable electrical generation systems to the grid.
- In the summer of 2023, Yukon's electric utilities identified grid disruptions on the Yukon Integrated Grid, which they attributed to the high number of micro-generation systems.
- Energy Branch officials are working with utilities, industry, and micro-generation participants to change inverter settings. This will allow micro-generation systems to be more resilient to changes in frequency on the grid, improving the stability of the system.
- The Department of Energy, Mines and Resources is working with the Yukon Development Corporation and Yukon Energy Corporation to develop a study to determine the next steps for the program.

Session Briefing Note

Micro-generation

Spring 2024

Energy, Mines and
Resources and Yukon
Development Corporation

Approved by:

Deputy Minister,
Department of Energy, Mines and Resources

January 29, 2024

Date approved

President,
Yukon Development Corporation

January 31, 2024

Date approved

Recommended response:

- As with any significant change in technology or systems, Yukon Energy and ATCO have encountered some unforeseen challenges with their new billing system, which was implemented in August of 2023.
- Most of the known issues with the system have been resolved. There is ongoing customer support and engagement on customer-specific issues.
- The old billing system had reached end of life and needed to be replaced to:
 - meet modern billing requirements suited for energy transition goals;
 - add an additional level of cybersecurity; and
 - avoid increasing maintenance issues.
- A considerable amount of planning preceded this change to help make the transition as seamless as possible.
- Yukon Energy and ATCO are working together to simplify customer bills, so they are easier to read.

Additional response:

- Both utilities are taking the following steps to ensure proper customer support:
 - ATCO is increasing support for local customer service in Whitehorse from until the end of March.
 - The third-party contract for back-end system support has been extended.

Context—this may be an issue because:

YEC & ATCO Billing Issues

- Questions may be asked about what exactly the issues were and what the utilities are doing to correct the issues.

Background:

- Yukon Energy and ATCO Electric Yukon use the same customer information and billing system.
- The three main issues customers may have experienced are:
 1. Late fees were applied to accounts in error.
 - The incorrectly applied late payment fees have been removed from customer accounts.
 - Late payment fees have been suspended until a fix can be applied.
 2. A payment appeared on a customer's bill, however, was not received by Moneris or the utility.
 - ATCO: Impacted customers were issued letters to advise them that the amount due would be applied to February statements.
 - YEC: Yukon Energy contacted its two impacted customers and determined a solution that worked for them.
 - Both utilities continue to monitor the situation.

Company	Number of accounts impacted
AEY	326
YEC	2

3. Some customers didn't receive their January bill and received two-month bills in February. This was a result of a deposit interest calculation issue.
 - The deposit interest issue has been resolved and will not occur again.

Company	Number of accounts impacted
AEY	700
YEC	163

Session Briefing Note

YEC & ATCO Billing Issues

TAB #12
Spring 2024
Yukon Energy
Corporation

Approved by:

President and CEO, Yukon Energy

March 13, 2024

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.
- YDC is currently working with the federal government to seek approvals to fund the Watson Lake Solar Project for \$18 million.
- With the Watson Lake Solar Project, the Arctic Energy Fund will be fully subscribed.
- Yukon Development Corporation is working with federal funders to identify new sources of funds to support the development of energy projects.

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.

Arctic Energy Fund

Yukon Development
Corporation

- The Yukon's total budget under the fund is \$34.5 million.
- This is in addition to the Innovative Renewable Energy Initiative, which provides \$2.5 million annually to the development of renewable energy and heating projects in the Yukon.

Context—this may be an issue because:

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

Background:

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

Approved by:

January 31, 2024

President, Yukon Development Corporation

Date approved

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.
- The cleanest electricity is the electricity that is not used.
- Reducing winter demand is an effective way to help minimize the short-term reliance on thermal sources to provide necessary power in the coldest, darkest months.
- Yukon Energy launched its latest demand-side management program, Peak Smart Home in November of 2023.
- Until April 19, Yukoners can sign up to receive smart, internet-connected thermostats and/or hot water tank controllers, installed at no cost in return for their participation.
- After April 19, Yukoners can sign up for the Peak Smart newsletter to learn more and be notified about future phases of the program.
- Since the launch of Peak Smart Home, just over 300 Yukoners have signed up for the program.
- Future phases of the program are to include smart home charging for electric vehicles.

Additional response:

- Participants who, in the pilot phase, experienced issues with their thermostats can contact Yukon Energy to receive new thermostats.

Session Briefing Note

TAB #16
Spring 2024

DSM

Yukon Development
Corporation
Yukon Energy
Corporation

Context—this may be an issue because:

- Questions may be asked about how Yukon Energy will ensure that there is sufficient power to meet peak winter demand, as well as the value for money of 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.
- Yukon Energy submitted a proposal to Northern REACHE for up to \$125,000 towards DSM initiatives. If successful, this funding is anticipated to be received in Q2 or Q3 of 2024.
- The project has received commitments of \$600,000 in funding in 2023-2024:
 - \$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.
- 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:

2024.04.10

President, Yukon Development Corporation

Date approved

President and CEO, Yukon Energy

April 10, 2024

Date approved

Recommended response

- In 2023, 91% of the electricity Yukon Energy generated came from renewable resources.
 - Nine per cent came from thermal resources, of which:
 - Approximately 7% was LNG
 - Approximately 2% 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

- 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.

Session Briefing Note

TAB #17

Spring 2024

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

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

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

Approved by:

President and CEO, Yukon Energy

Feb 2, 2024

Date approved

Recommended response:

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

Additional response:

- There is a need for a predictable and replicable Framework for First Nation investment in the energy economy, regardless of which projects are advanced.
- Yukon Development Corporation participated in a series of conferences throughout the fall organized by the Council of Yukon First Nations and is keen to continue to work alongside the First Nations as they continue to consider how they want to participate in the energy economy.

Context—this may be an issue because:

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

FN Investment Framework

Yukon
Development
Corporation

Background:

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

Approved by:

January 31, 2024

President, Yukon Development Corporation

Date approved

Recommended response:

- Yukoners in Whitehorse may have noticed over last summer that there are now four wind turbines on top of Haeckel Hill.
- The project was connected in early winter connected to the grid and is providing power to the Yukon Integrated Grid [as of March 8, 2024](#).
- Yukon Development Corporation provided the project with \$13.07 million from the Arctic Energy Fund.
- We extend our congratulations to Chu Niikwan Development Corporation and the Kwanl'in Dunn First Nation for their leadership on this Project and look forward to exploring future partnerships with them.

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 has been significant public interest in the Project.

Background:

Session Briefing Note

TAB #19
Spring 2024

Haeckel Hill

Yukon Development
Corporation

- The project-initiated funding from Arctic Energy Fund in 2021.
- 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 is connected to the grid following testing by Yukon Energy Corporation to ensure safety requirements are met.

Approved by:

March 13, 2024

President, Yukon Development Corporation

Date approved

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 into the Grid-Scale Battery Storage System to help balance daily demand for electricity; and
 - 22.7 million dollars has been invested in the Mayo-McQuesten transmission line upgrade, and the project is completed.
- 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, as identified in a recent report commissioned by Energy Branch.

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:

<hr/>	January 31, 2024
President, Yukon Development Corporation	Date approved

Session Briefing Note

IPP

YDC #21
Spring 2024
Yukon Development
Corporation

Recommended response:

- The goal of the Independent Power Production policy is to support the development of locally sourced renewable energy.
- The Independent Power Production policy enables Yukon First Nations governments, communities, and entrepreneurs to generate renewable energy and feed clean electricity into the main electrical grid or into micro-grids in diesel-dependent communities.
- Due to high interest, the Standing Offer Program was fully subscribed.
- Early this year, the Proponent for the North Fork Project informed Yukon Energy that the project will not be proceeding.
- Projects currently in the queue are advancing through the connection process. Additional applications will be considered as they are received from Proponents.
- Once the Standing Offer limit is reached, new applications will continue to be accepted for later consideration should the number of projects under review decreases or it is determined through technical studies that it is safe to increase the Standing Offer Program limit.
- Acceptance to the Standing Offer Program does not guarantee funding for Projects through the Innovative Renewable Energy Initiative or that an Electricity Purchase Agreement will be signed.

Additional response:

- The Chu Níkwän Limited Partnership started to provide electricity to the Yukon Integrated Grid on March 8, 2024, through their Thäy Tāw (Haeckel Hill) four-megawatt wind project to the Yukon Integrated Grid.

- Additional time was needed to complete site testing and commissioning.
- We are making substantial progress towards integrating renewable projects in all micro-grid communities, with the goal to reduce the fossil fuels used by 30 per cent by 2030.

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 North Fork Project has been removed from the queue.](#)

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.
- Oro Enterprises Ltd., the proponent of the proposed 2 MW New Era North Fork Hydro project in Dawson City, was one of the 11 proponents in the queue. On January 29, 2024, Oro Enterprises Inc informed Yukon Energy that the North Fork Project was cancelled.
- In 2022 and 2023, two additional proponents were recommended for consideration to the SOP queue by Energy, Mines & Resources. Projects were put “on hold” and advised that studies to assess the impacts of their projects on the grid would only proceed when room in the IPP SOP queue became available.
- Yukon Energy is meeting with the next Proponent in the queue.
- 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)

Session Briefing Note IPP

**YDC #21
Spring 2024**
Yukon Development
Corporation

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 ([active](#))
 6. Chu Níkwän Eagle Hill (Haeckel Hill) II ([active](#))
 7. White River First Nation's solar project - Beaver Creek (tbd);
 8. Kluane First Nation's Nt'si wind project - Kluane Lake (tbd);
 9. Arctic Pharm's solar project - Whitehorse (tbd); and
 10. Sunergy's solar project - Haines Junction (Soon to be commissioned).
- [First Kaska is developing a significant solar renewable energy project to provide power to the Watson Lake micro-grid.](#) Canada's approval for the project to receive funds through the Arctic Energy Fund is pending approval.
 - Funding is available in 2024-2025 for prospective renewable energy projects through the Arctic Energy Fund and the Innovative Renewable Energy Initiative coordinated by the Yukon Development Corporation.

Approved by:

President & CEO, Yukon Development Corporation

2024.04.10

Date Approved

Recommended response:

- Yukon Development Corporation is pleased to report that the Innovative Renewable Energy Fund has been 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 Innovative Renewable Energy Initiative is accepting new applications for the 2024-2025 fiscal year. Proponents can reach out to Yukon Development Corporation with any questions.
- 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.
- [We expect to receive applications from several First Nations located on the integrated grid and are hearing about proposals that would evaluate a range of renewable energy technologies. Further updates will be provided as applications are approved.](#)
- Our government's is contributing \$2 million in 2024-2025 and since its inception, the Yukon Development Corporation has invested \$7.6 million in this initiative.

Additional response:

- Interest in the Innovative Renewable Energy Initiative has grown each year since its inception in 2018.
- In the 2023-24 fiscal year YDC supported six projects across the territory and the fund is fully subscribed.

- This is in addition to the \$33.5 million that has been invested through the Arctic Energy Fund.
- The Innovative Renewable Energy Initiative is continually being reviewed to prioritize the projects which will assist in filling the Yukon’s energy needs in a clean, but also affordable and reliable way.

Context—this may be an issue because:

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

Background:

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

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	Carcross Solar	Carcross	\$300,000

Session Briefing Note

TAB #22

Spring 2024

IREI

Yukon Development
Corporation

	Management Corporation			
	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
	Chu Níkwän Development Corporation	Haeckel Hill Wind	Whitehorse	\$485,000

Session Briefing Note

TAB #22

Spring 2024

IREI

Yukon Development
Corporation

	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:

March 5, 2024

President, Yukon Development Corporation

Date approved

Session Briefing Note

Public Utilities Act Amendments

Spring 2024Justice

Recommended response:

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

Additional response:

- Changes to the Act and Regulations are being considered that will better enable the Yukon Utilities Board to provide timely decisions on renewable energy projects and electricity rates being proposed by utilities.

Context:

- The review supports several key initiatives in Our Clean Future by allowing the Yukon Utilities Board to consider whether a project will contribute to the Yukon's supply of affordable, renewable energy, 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**Spring 2024*****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#12 – *Public Utilities Act Regulation Changes for Our Clean Future*]

Approved by:

Deputy Minister, Justice

Date approved

EMR #34/YDC #24

Spring 2024

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.
- We have temporarily paused intake for the micro-generation program within the Whitehorse and Southern Lakes area to address utility concerns about integrating grid-tied solar generation.
- Small-scale solar systems have enjoyed strong popularity and currently there are more than 12 megawatts of direct current solar capacity installed, including over 9 megawatts through the micro-generation program.

Additional response:

- We are providing funding to building owners to install efficient electric heat pumps and biomass heating systems that will reduce greenhouse gas emissions from heating buildings.
- Yukoners are installing renewable energy generating systems at such a high rate that we achieved our micro-generation target of seven megawatts seven years ahead of schedule.
- Energy Purchase Agreements have been signed by 10 independent power production projects. Of these, four are producing electricity with three more projects expected to be completed in 2024.
- Energy storage solutions, such as the Battery Energy Storage System, are important for integrating renewable energy.

EMR #34/YDC #24

Spring 2024

Session Briefing Note Renewable Energy Initiatives

Energy, Mines and
Resources and Yukon
Development Corporation

Context — this may be an issue because:

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

Background:

Our Clean Future

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

Renewable energy generation: Independent Power Production Policy

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

EMR #34/YDC #24

Spring 2024

Session Briefing Note Renewable Energy Initiatives

Energy, Mines and
Resources and Yukon
Development Corporation

Renewable energy generation: Micro-generation Program

- Our Clean Future (action E10) targets seven megawatts of installed renewable electricity capacity by 2030 through micro-generation. As of December 2023, there were 816 micro-generators connected to the Yukon utility grid which are generating 9.5 megawatts_{DC}. This is 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)

Geothermal resources

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

Energy storage

- In 2022, the report, Meeting the Yukon's Electricity Needs through 2050, was completed by Navius Research.
- The report asserted that Yukon's electricity demand is expected to grow, that solar and wind are the most cost-effective options for meeting electricity demand,

EMR #34/YDC #24 Spring 2024

Session Briefing Note Renewable Energy Initiatives

Energy, Mines and
Resources and Yukon
Development Corporation

electricity storage is critical to high penetration of renewables, and that growing demand for electricity will increase generating costs.

- Yukon Energy is working towards completing the grid scale battery and will consider other energy storage solutions with independent power producers and through the integrated resource planning process. (See YDC/YEC BN #2; and YEC BN#42 and YEC BN#43)

Approved by:

January 29, 2024

Deputy Minister
Department of Energy, Mines and Resources

Date approved

January 31, 2024

President and CEO
Yukon Development Corporation

Date approved

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
- Annual average capital expenditures are forecasted between \$70 and \$90 million.
- Yukon Energy is currently working with Yukon government and ATCO to identify the upgrades needed to safely integrate the use of more electric heat and vehicles, and to bring more renewables online.

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

- 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).

Session Briefing Note

TAB #25
Spring 2024

System Upgrades

Yukon Energy Corp

Approved by:

President and CEO, Yukon Energy

Feb 2, 2024 _____

Date approved

Recommended response:

- Demand for electricity is growing in Dawson City.
- Yukon Energy is adding a second diesel generator at its Callison substation to ensure power can continue to be delivered in the community at times when Dawson is disconnected from the Yukon grid.
- 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 submitted its Project Description YESAB on November 9, 2023.
- [YESAB's Executive Committee is accepting public comments on the Project Proposal Guideline Response until April 26.](#)

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.
 - 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:

President & CEO, Yukon Energy

April 10, 2024

Date approved

2023-2024

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

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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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Accomplishments - YDC

Yukon Development
Corporation

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

Approved by:

January 31, 2024

President, Yukon Development Corporation

Date approved

- 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

- 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 Níikwän 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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TAB #31

Spring 2024

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

Feb 2, 2024

Date approved

Session Briefing Note

TAB #32

Spring 2024

CEO Recruitment

Yukon Energy Corp

Recommended response:

- Chris Milner was selected by Yukon Energy's Board of Directors as the corporation's President and CEO after an extensive, national search.
- The process began shortly after Yukon Energy's previous President and CEO, Andrew Hall, resigned in February 2023.
- The recruitment process was led by Yukon Energy's Board of Directors with the support of Watson, a firm that specializes in corporate governance and executive recruitment.

Additional response:

- Andrew Hall resigned from the position for personal reasons.
- Chris Milner was the corporation's previous Vice President of External Relations and 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:

- 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:

_____	Feb 2, 2024
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 and an increase in the limit for their line of credit to \$100 million until June 2024.
- The Government of Yukon approves all publicly funded long-term borrowing, including borrowing done by Yukon Energy Corporation and Yukon Development Corporation.
- Yukon Energy's borrowing enables the corporation to invest in new generation and transmission infrastructure, while maintaining existing infrastructure, ensuring reliable, affordable and renewable energy for Yukoners.

Additional Response

- Long-term debt will be repaid with money earned from the sale of electricity.
 - The line of credit is an interim financing tool during construction.
-

Context—this may be an issue because:

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

Background:

- In 2023, Yukon Development Corporation (YDC) borrowed \$6,425,000 and lent it to Yukon Energy Corporation (YEC) for YEC to comply with its capital structure policy that results in a debt/equity ratio of approximately 60/40.
-

Financial - Debt

Yukon Development
Corporation

- In 2023, a \$1 million debenture was completed between YEC and Champagne and Aishihik First Nations (CAFN).
- YEC has a permanent line of credit of \$10.0 million. The long-term debt enables Yukon Energy to maintain a 60/40 debt-to-equity ratio.
- In 2023 there were two O.I.C.'s passed and one O.I.C. repealed related to YDC and YEC borrowing:
 - O.I.C. 2023-145 authorizes YDC to borrow \$6,425,000 and lend it to YEC. This authorization was for YEC to meet its debt-to-equity target ratio of 60/40.
 - O.I.C. 2023-141 was passed to authorize YDC to undertake borrowing and lend it to YEC. This O.I.C. does not exempt YDC from requiring Management Board approval to undertake public borrowing.
 - O.I.C. 1990/076 was repealed because it was redundant. The *Financial Administration Act* already applied to YEC as it related to public borrowings.

Approved by:

February 29, 2024

President, Yukon Development Corporation

Date approved

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

Session Briefing Note

TAB #34
Spring 2024

Financial - Minto

Yukon Energy Corp

Approved by:

Feb 2, 2024

President & CEO, Yukon Energy

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 2022 Consolidated Financial Statements presented fairly, in all material aspects, the consolidated financial position of Yukon Development Corporation as of December 31, 2022, 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 2022 consolidated financial statements and Yukon's 2022-23 Public Accounts were both tabled in the 2023 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, 2022, as reported in the Corporation's Consolidated Financial Statements, was \$222.8 million. This includes the current portion of the debt of \$4.2million as well as the non-current portion of \$218.6million.
- YDC's long-term debt at March 31, 2023, as reported on Page 62 of Yukon's 2022-23 Public Accounts, was \$221.3 million.
- The \$14.1 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 \$100.0 million
 - YDC \$15 million
 - Total \$115 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, 2024

President, Yukon Development Corporation

Date approved

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.

Session Briefing Note

TAB #36

Spring 2024

General - ATCO

Yukon Development
Corporation

Background:

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

Approved by:

January 31, 2024

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.

Session Briefing Note

TAB #37
Spring 2024

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

Feb 2, 2024

Date approved

Session Briefing Note

TAB #38
Spring 2024

Governance

Yukon Development
Corporation

Recommended Response:

- To help ensure that Yukon receives the best value for its investment in electricity infrastructure, improving subsidiary governance and accountability is an ongoing activity for the Yukon Development Corporation and Yukon Energy 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 governed by a Board of Directors, as a Government Corporation, which raises questions about where authorities for decision are shared across the Minister-in-Executive Council, the Board, staff, and the subsidiary.

Approved by:

January 31, 2024

President, Yukon Development Corporation

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.
- Temporary slope stabilization measures were completed last year.
- Design for the permanent stabilization work will be completed this spring and the work completed in 2025.
- The cost for the rock slope mitigation is estimated at 3.7 million dollars.
- The Mayo A plant is currently operational.

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 is developing a *Climate Change Adaptation Implementation Plan* that identifies climate change hazards to its assets, and what solutions might address these impacts.

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.

Session Briefing Note

TAB #39

Spring 2024

Mayo Rockslide

Yukon Energy Corp

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.
October 23, 2023	Yukon Energy re-started the Mayo A plant.

Approved by:

Feb 2, 2024

President and CEO, Yukon Energy

Date approved

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.
- Additional hydro projects identified in the 10 Year Renewable plan are anticipated to take much longer to implement, new options are needed, and Yukon Energy can be responsive to First Nation partners who are coming forward with their own project ideas.
- To secure firm capacity needed for cold weather, Yukon Energy will be developing an Electricity Supply Plan to identify the resources and partnerships needed in the next ten years.
- The focus will be on a system approach to allow for wind and battery to reliably provide energy while thermal resources such as diesel and LNG are available in the background when we need them to keep the lights on and houses warm.
- Yukon Energy will also be updating their resource plan to establish and articulate a long-term strategic vision for the next twenty years.
- This process that will consider seasonal storage options, and will consider from a utility perspective a grid connection with BC. (Ref: YDC/EMR #10)
- It will also explore emerging technologies that show promise for the future but are not market ready today.

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Planning - Resource

Yukon Energy Corp

- Both processes will include discussions with First Nation and public governments, as well as Yukoners more broadly.

Additional response:

- The resource planning process 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.

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 Electricity Supply Plan to be ready this summer and the update to the Resource Plan will be ready by the end of 2025.

Approved by:

_____	Feb 2, 2024
President and CEO, Yukon Energy	Date approved

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:

January 31, 2024

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.
- Yukon Energy submitted its Project Proposal in December 2023 to the Yukon Environment and Socio-economic Board for its Whitehorse Rapids Generating Station Relicensing Project after discussions with the Carcross/Tagish First Nation, Kwanlin Dün First Nation, and Ta'an Kwäch'än Council over the last couple of years.
- Discussions are underway with the First Nation of Na-Cho Nyäk Dun for the Mayo Generating Station.

Relicensing

Yukon Development
Corporation
Yukon Energy
Corporation

If asked about salmon:

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

Relicensing

Yukon Development
Corporation
Yukon Energy
Corporation

Context—this may be an issue because:

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

Background:

Aishihik Generating Station (AGS)

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

Whitehorse Rapids Generating Station (WRGS)

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

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Spring 2024

Relicensing

Yukon Development
Corporation
Yukon Energy
Corporation

hatchery be built and operated. Annually, Yukon Energy works collaboratively with the Department of Fisheries and Oceans on hatchery targets, like salmon broodstock and juveniles released.

- On January 8 and 9, 2024, there was a two-day workshop related to the Whitehorse Generation Station relicensing project, which is directly related to fish passage and hatchery operations to support Chinook Salmon.

Mayo Generating Station (MGS)

- The water licence for the MGS expires on December 31, 2025.
- A proposal to the Yukon Environmental and Socio-economic Board is anticipated to be filed for the Mayo Generating Station in May 2024.
- Yukon Energy will be seeking a five-year licence term during the assessment.

Approved by:

April 24, 2024

President, Yukon Development Corporation

Date approved

April 17, 2024

President, Yukon Energy Corporation

Date approved

Session Briefing Note
Corporate Note – Budget Highlights

TAB# 27
Spring 2024
Finance

Recommended response:

- The Government of Yukon is committed to supporting Yukoners and communities while delivering strong, sustainable fiscal management.
- The Yukon's economy is returning to normal with inflation falling, tourism rebounding, and growth in wages leading to higher consumer spending.
- This budget will benefit all Yukoners by providing significant investments in health care, education, and housing, and will ensure that Yukoners have opportunities to thrive in a vibrant and sustainable economy:
 - An additional \$15.3 million in funding is included to support the operations of the Yukon Hospital Corporation and another \$30 million is directed towards our Insured Health services system.
 - \$4.4 million will help increase the number of educational support staff and wellness professionals in our schools and create a learning environment that is inclusive and responsive to the diverse needs of our students.
 - \$101 million in capital is dedicated for land development, housing, education and health care.
 - This year's budget also delivers on our commitment to environmental stewardship, demonstrated through more than \$55 million allocated to support existing and new actions identified in *Our Clean Future*.

Session Briefing Note**Spring 2024****Corporate Note – Budget Highlights**

Finance

Embargoed until day of budget tabling

- Through Budget 2024-25, the government will continue to lay the foundation for the territory's new health authority. We will also provide funding to implement the *Substance Use Health Emergency Strategy* in coordination with our partners.
- This budget includes strategic investments in infrastructure, particularly in housing for the most vulnerable. Investments in housing include projects in Watson Lake, Mayo, Faro and Dawson City and funding support for various affordable and community housing projects.
- Like in previous budgets, Budget 2024-25 continues to build relationships and further reconciliation with Yukon First Nations.
- Revenue growth continues to accelerate alongside record levels of recoveries. The Yukon's strong financial position continues to improve as we look towards the future.

Additional response:

- The Yukon government is delivering on its commitment to grow a strong and resilient economy while ensuring robust, sustainable fiscal management.
- A strong surplus will serve as a prudent fiscal management tool and demonstrates the ability of the government to address unforeseen events without going into a deficit.

Session Briefing Note**Corporate Note – Budget Highlights**

Finance

Embargoed until day of budget tabling

- The fiscal summary includes a \$50 million contingency for unforeseen pressures and emergencies. Including a contingency has been a proven method to offset the cost of expected but undefined expenditures that arise throughout the fiscal year while limiting their impact on the territory's fiscal position.

Context—this may be an issue because:

- The 2024-25 Main Estimates will be debated during the March 2024 legislative session.
-

Background:

- The 2024-25 Main Estimates include a projected surplus of \$119 million and net debt of \$488.8 million.
- Total revenue is expected to be \$1.69 billion in 2024-25. This is an increase of \$115.8 million, or 7.4 per cent, from the 2023-24 Main Estimates.
- Gross O&M spending is forecast at \$1.6 billion, reflecting a \$141.4 million or 9.7 per cent increase over 2023–24 Main Estimates. Approximately 12 per cent is recoverable from Canada and other partners, making the net impact \$88.6 million, or a 6.7 per cent net increase over 2023–24 Mains.
- Forecast capital expenditures total \$484.0 million with recoveries of \$171.3 million. Although gross capital expenditures are consistent with the previous year (\$483.8 million in 2023-24) increased recoveries result in a 2.1 per cent decrease in net capital expenditures from the 2023-24 Main Estimates.

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Spring 2024

Corporate Note – Budget Highlights

Finance

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- There are 5,484.5 FTEs in the 2024-25 budget, which is an increase of 152.8 FTEs from 2023-24. Growth primarily for CASA Education commitments (61.0) and Health Human Resources commitments (11.5) as well as Putting People First (28.5).

Approved by:

February 28, 2024

Deputy Minister, Finance

Date Approved

Session Briefing Note

Corporate Note – Fin/HPW 2023-24 Supplementary Overview

HPW TAB#1

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Recommended response:

- The changes outlined in the Supplementary Estimates No. 2 highlight the government's commitment to supporting the health and wellbeing of Yukoners and communities. The government will continue to make important investments to support our healthcare system, enhance public safety, and provide needed infrastructure across the territory.
- The 2023-24 Supplementary Estimates No. 2 forecasts an overall net increase of \$32.1 million in spending. This includes:
 - A \$61.0 million increase in gross O&M spending, with an offsetting increase of \$29.4 million in recoveries, and
 - Other than a small transfer of \$143,000 in the Yukon Legislative Assembly, there is no change in overall gross capital spending, and a small decrease of \$397,000 in recoveries.
- Changes in the Supplementary Estimates result in a revised forecast surplus of \$1.7 million and year-end net debt of \$444.5 million.
- The ability to remain in a surplus position despite an increase in spending is largely owed to significant infrastructure investments:
 - Infrastructure investments, which are mostly tangible capital assets, impact net debt when they are realized. However, as they are anticipated to provide benefits over many years, their

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HPW TAB#1

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Spring 2024

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impact on the surplus/deficit position is recognized over their expected life.

O&M

- In O&M, the most significant increases are for programs and initiatives in the Department of Health and Social Services:
 - \$25.6 million is required for Insured Health Services for physician claims, hospital claims, pharmacare and medical travel.
 - More than \$12 million in O&M spending will increase funding for the Yukon Hospital Corporation for unanticipated costs, which are partially a result of a global shortage of health care providers and work done to retain our valuable nurses.
- Some other significant items in the supplementary estimates include:
 - \$6.7 million to sustain initiatives aimed at strengthening justice and community safety within our territory.
 - \$4.1 million to cover costs for new teachers, educational assistants, learning assistant teachers and mental health and wellness counsellors, as well as Yukon University and Governance increases.
- The 29.4 million increases in O&M recoveries are mostly comprised of a \$25 million recovery expected to be received for work completed and underway at the Minto Mine, this year.

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Capital

- In Capital, there is no significant change in overall expenditures, but there are increases in several projects which are offset by decreases in other areas:
 - Most of the increases are for the Dempster Fibre project, which will receive an additional \$18.4 million to support faster than anticipated progress during the year. This project will provide Yukoners with more reliable access to the internet as well as necessary redundancy.
 - There is also a \$14.6 million increase for the Nisutlin Bay Bridge Replacement project and a \$7.9 million increase for the Whitehorse airport taxiway improvements and runway replacement.
 - Finally, there will be an \$5.8 million increase is required for the Old Crow Health and Wellness Centre replacement and the Old Crow 10-unit mixed-use housing project.
- These increases are offset by a number of decreases in other capital projects to reflect revised timelines:
 - The most notable decrease is a \$21.3 million reduction for the Skagway Marine Service Platform project, which has been moved to 2025-26.

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- There is also an \$8 million decrease in Northern Carve Out funding, which is being deferred to 2024-25.
- Delays in some of the community projects under the infrastructure development funding will also see an additional \$7.7 million decrease in capital.

Additional Response:

- Revenues for 2023-24 are expected to decrease by \$14.9 million, mainly to reflect lower forecasts for tobacco and corporate income tax revenues and quartz mining royalties.

Context—this may be an issue because:

- The 2023-24 Supplementary Estimates #2 is tabled in the spring session and will be the subject of debate.

Approved

Signature on file	February 29, 2024
_____ Deputy Minister, Finance	_____
Signature on file	February 28, 2024
_____ Deputy Minister, HPW	_____ Approved

Session Briefing Note**Spring 2024****Carbon Pricing
(Corporate Note)**Environment & Finance

Recommended response:

- Since its introduction in 2019, the Government of Yukon has been supportive of carbon pricing as a policy to help us reduce emissions and move toward our ambitious climate targets.
- The Department of Environment and the Department of Finance work closely to ensure that we take a balanced approach to carbon pricing in the territory, one which considers the need to reduce emissions as well as the fair return of carbon pricing revenues to Yukoners.
- Our two departments work together to coordinate with our federal counterparts to assess the implications of carbon pricing in the territory and to ensure the needs of the territory are recognized in national policy.
- This includes retaining control over how revenues are distributed back to Yukon individuals, municipal governments, Yukon First Nations and businesses.
- It also includes excluding carbon price from electricity generation or aviation, in recognition of the unique constraints of our northern jurisdiction.

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(Corporate Note)**Environment & Finance

Additional response:

- Carbon pricing is just one tool in our toolkit to address the climate emergency.
- We continue to implement Our Clean Future to reduce the Yukon's greenhouse gas emissions and, more broadly, to reduce the impact of the carbon levy on Yukoners.
- In December of last year, we announced 42 new actions under Our Clean Future as part of the third Our Clean Future annual report outlining the progress we have made on the strategy.
- Although we have made progress on many of our commitments, there is still significant work required to meet our target of reducing our emissions by 45 per cent by 2030
- Our government continues to stand by carbon pricing as sound, evidence-based policy on climate change, but we share concerns about equity; specifically, for those Yukoners who do not use heating oil for their homes.
- The policies in Our Clean Future, as well as carbon pricing, are intended to incentivize Yukoners to make the switch to low carbon energy sources, like electric heating or heat pumps. Despite this change to the federal carbon levy, Yukoners continue to lead the way to support this low carbon transition.

Session Briefing Note**Spring 2024****Carbon Pricing
(Corporate Note)**Environment & Finance

- Ensuring that we utilize every policy lever at our disposal, including carbon pricing, is essential to meet our goals.
- Together, we are finding solutions to reduce our emissions while strengthening our economy and supporting our industry partners.

Third response:

- The Yukon's carbon rebate is revenue-neutral. We are committed to both reducing carbon emissions in the territory and to returning all the federal government's revenues to Yukoners.
 - Returning proceeds to individuals, municipal governments, Yukon First Nations, and businesses is a critical part of our approach to carbon pricing in the Yukon.
 - We are returning 100 per cent of the federal carbon levy to these four rebate groups who receive more, on average, than they pay in carbon pricing levies.
-

Context—this may be an issue because:

- In October 2023, the federal government announced a temporary 3-year exemption for home heating oil from the federal carbon price, with the intention of helping Atlantic Canada in particular.
 - While Atlantic Canada welcomed this change, the exemption has received considerable backlash. Most provincial governments (except for British Columbia) have called for extending the carbon price exemption to all home-heating fuels (including natural gas).
-

Session Briefing Note**Spring 2024****Carbon Pricing
(Corporate Note)**

Environment & Finance

- Critics also argued that the exemption undermines the credibility of the carbon tax, and may weaken the incentives to switch to lower carbon heating options.

Background:

- The federal Draft Regulations Amending the Fuel Charge Regulations stipulate that all heating oil will be exempt from the fuel charge starting November 8, 2023, until April 2027.
- This means that light fuel oil consumption in all buildings, including residential, commercial, and institutional, will be exempt from the fuel charge.
- Nearly half (49.2% in 2022) of Yukon homes use oil-based heating.
- In Yukon, individuals, businesses, placer/quartz mining operations, Yukon First Nations governments and municipal governments are all eligible for a rebate for carbon pricing.
 - Individuals who live outside of Whitehorse receive a remote supplement, which was recently increased from 10 to 20% (and is now in line with the federal remote supplement for backstop jurisdictions including Alberta, Manitoba, Ontario, and Saskatchewan).

Approved by:

Michael Prochazka, Deputy Minister of
Environment

March 1, 2024

Date approved

Deputy Minister of Finance

February 26, 2024

Date approved

Session Briefing Note

Inflation and Affordability

(Corporate Note)

Spring 2024

Finance

Recommended:

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

Additional response:

- This year's Budget continues to support Yukoners by making sure they can access essential services at prices they can afford.
 - o The Budget includes massive investments to advance affordable housing projects across the Yukon. From the Housing First Project in Watson Lake, the Ryder Apartments in Whitehorse, and the Korbo Multiplex in Dawson, the Yukon government will be taking action to build more affordable homes for Yukoners, especially those in vulnerable situations.
 - o There is also over \$42 million in continued funding for early learning and child care in this Budget. This includes funding for the universal child care program, which has reduced child care fees to less than \$10 per day on average.

Session Briefing Note

Inflation and Affordability

(Corporate Note)

Spring 2024

Finance

- o We are also making life more affordable and leading the nation with our Yukon-wide dental program, which will see \$5.4 million in continued funding for 2024-25.
 - o To make sure that more people have the option of staying home when they are sick, we have extended the Temporary Paid Sick Leave and included the necessary funding to do so in this Budget. We have also extended the Interim Electrical Rebate, which will provide welcome relief from power bills to Yukoners across the territory.
- These are just a few examples of the many programs and initiatives that will continue to support Yukoners this year.
- The Yukon's minimum wage has also been responsive to price changes, as its annual change is tied to inflation in the year prior. After growing 6.8 per cent in 2023, the minimum wage is scheduled to grow a further 4.9 per cent to \$17.59 per hour as of April 1, 2024. The new minimum wage would represent the second highest wage in Canada, behind only Nunavut's minimum wage of \$19.00 per hour.
- Higher inflation impacts various Government of Yukon programs through indexation, including:
 - o Subsidies for medical travel
 - o The Yukon Child Benefit
 - o Social Assistance Payments
 - o Student Financial Assistance
 - o Seniors' benefits
 - o The Pioneer Utility grant

Session Briefing Note

Inflation and Affordability (Corporate Note)

Spring 2024

Finance

- o The Comprehensive Municipal Grant Regulation
- o The minimum wage
- o Residential rent caps
- o The tobacco tax rate

Context—this may be an issue because:

- Inflation has fallen from historical highs but remains elevated in Canada and in the Yukon.
- While improved, energy prices remain elevated, and food and shelter costs continue to be prominent drivers of overall inflation. These are all areas where higher prices are more obvious to consumers.
- Housing affordability has been a concern in the Yukon for several years.
- After more than a year of local inflation being among the highest in Canada, growth in the Whitehorse CPI trended down throughout 2023 and was once again below the national inflation in the last three months of 2023 [and the first two months of 2024](#).
- Higher earnings were reported across most industries in 2023, and several industries reported earnings growth more than 2023's average inflation of 4.9 per cent. Even as some industries had earnings gains outpace inflation, earnings growth of 2.8 per cent in the industry total fell short of the overall increase in prices in 2023.

Session Briefing Note

Inflation and Affordability

(Corporate Note)

Spring 2024

Finance

Background:

Inflation – Recent performance and outlook

- 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 were key drivers of overall inflation in 2023.
- Actions taken by the Bank of Canada to rein in inflation by cooling the Canadian economy appear to be having the desired effects. The national labour market has softened, consumer spending has slowed, and real GDP has leveled out. Following ten increases in the overnight rate since March 2022, discussion among many analysts has shifted towards the timing of rate cuts.
- The Bank's efforts to tame inflation look to have set the stage for a soft landing for Canada, as inflation is trending down without an accompanying sharp downturn in economic activity. Weaker energy prices and improving supply chains have also helped contribute to a much-improved national inflation picture.
- Prior to the recent period of elevated inflation, prices in the Yukon had generally tracked close to the national trend. After averaging 3.9 per cent in 2023, the Bank expects national inflation to fall to 2.8 per cent in 2024 and 2.2 per cent in 2025. As price pressures continue to recede, a similar story is expected locally with growth of the Whitehorse CPI forecast to fall from 4.9 per cent in 2023 to 3.0 per cent in 2024 and 2.5 per cent in 2025.

Session Briefing Note

Inflation and Affordability (Corporate Note)

Spring 2024
Finance

PROGRAMS AND OTHER MEASURES THAT SUPPORT AFFORDABILITY

Projects under the Five-Year Capital Plan supporting housing affordability (Yukon Housing Corporation)

- The **Old Crow 10-Plex Mixed-Use Housing** facility will be completed and will be ready for residents to start moving in by March 2024.
- Construction of the **10-plex Housing First Project in Watson Lake** began in the summer of 2023. It is scheduled to be completed in the fall 2024.
- Construction of the **Faro and Dawson Duplex** projects started in summer 2023 and are scheduled to be complete in early 2024.
- The **Korbo Multiplex in Dawson** is in the design phase. This project will deliver approximately 34 new housing units.
- The old **Ryder Apartments in Whitehorse** was demolished in December 2023 and plans are underway to replace it with a new multi-family affordable housing complex. The project is in the design phase and is anticipated to deliver over 45 new units.

Universal Child Care Program (Education)

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

Dental Care program (Health and Social Services)

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

Session Briefing Note

Inflation and Affordability (Corporate Note)

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Paid sick leave program (Economic Development)

- 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 includes all illnesses (and injuries not covered by any other Act, benefit, or program). The program is available to employees regardless of whether their employer offers paid sick leave, though employees must use all paid sick leave available to them through their employer before they are eligible for the Paid Sick Leave Rebate.

Yukon Child Benefit (Finance)

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

Yukon Seniors' Income Supplement (Health and Social Services)

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

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

- The Inflation Relief Rebate, a \$50 rebate that is automatically applied to electrical customers' bills, was a temporary measure to address inflation. The Inflation Relief Rebate was most recently applied to all ATCO Electric Yukon and Yukon Energy bills for November and December 2023 and January 2024.

Session Briefing Note

Inflation and Affordability

(Corporate Note)

Spring 2024

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- The Interim Electrical Rebate continues to provide residential electrical customers with a maximum rebate of \$22.62 per month based on the electricity they consume, up to 1,000 kilowatt hours (up to \$271.44 per year). This affordability measure has been extended to March 2025.

Other Government initiatives

Initiatives under Health and Social Services:

- Engagement on the Yukon's Social Assistance rates started in late summer 2023 with clients on Social Assistance.
- While the review is underway, the department is providing a \$100 monthly increase to eligible Social Assistance recipients.
- To offset inflationary cost of living increases and provide sufficient financial resources to meet the needs of children placed in their care, the department is providing a 10 per cent increase to monthly payments to caregivers of children in out of home care, on top of the annual indexed increase.
- During the 2023-24 fiscal year, a 16.46 per cent rate increase for community and extended family caregivers was provided. The rates are as follows:
 - o Whitehorse: \$46.86 per day
 - o Rural Communities: \$50.16 per day
 - o Old Crow: \$86.40 per day

Comprehensive Municipal Grant (Community Services)

- The Comprehensive Municipal Grant is how the Government of Yukon directly funds municipal governments. This core funding supplements municipal resources and pays for vital services, like the provision of fresh drinking water, the collection of solid waste and recycling, recreation programming and other services as required under the Municipal Act and other legislation.

Session Briefing Note

Inflation and Affordability (Corporate Note)

Spring 2024

Finance

- The high inflation seen in 2022 (6.8 per cent) will increase the grant payments to be provided in April 2024. This will result in a \$2.3 million increase for Yukon municipalities with overall contributions of over \$24.5 million for fiscal year 2024/25.

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

- 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 rebate programs are available for the transportation sector, renewable heating sector, and the construction sector focusing on high efficiency buildings.
- For existing homes, the Energy Branch offers the Good Energy rebate program for high performance heating systems and upgrades to thermal enclosures including insulation and windows, and high-performance new homes. Taking these measures will save homeowners money on their energy costs.
- Between January 1, 2018, and December 31st, 2023, 221 high-performance retrofits to residential, commercial and institutional buildings have been completed across the territory.
- Innovative programs like the Better Buildings Program that offer up-front funding, combined with our Good Energy rebates, make energy retrofits more accessible and affordable for Yukoners.

Support to the forestry industry (Energy, Mines and Resources)

- To help increase the supply of firewood, over the past two years the Yukon government has offered an incentive to timber harvesters. In 2022-23, the Government of Yukon distributed \$315,000 to 33 Yukon businesses. The program has contributed to an increase in timber harvest volumes.

Session Briefing Note

Inflation and Affordability

(Corporate Note)

Spring 2024

Finance

- In fall 2023, the Government of Yukon and the Canadian Northern Economic Development Agency combined financial contributions to launch the \$200,000 Forestry Support Program. The program is helping to enhance operational safety and resilience by allowing commercial harvesters and retailers to purchase or repair things like harvest equipment, vehicles, trailers, and personal protective equipment.
- We have distributed over \$170,000 through this program and anticipate exhausting the funds by the application deadline of March 31, 2024.

Temporary Landlord Assistance Program (Economic Development)

- Vacancy rates in the local rental market remain very low. The Government of Yukon is committed to encouraging landlords to remain in the residential market. To help support this, the department of Economic Development introduced a temporary Landlord Assistance Program in November 2023.
- The program is available to all Yukon residential landlords who rent out accommodations to which the Yukon's Residential Landlord and Tenant Act applies and who rented out accommodation in 2023. The program provides a one-time, per-unit payment of \$338 for 2023.

Government initiatives indexed to inflation

- Higher inflation impacts various Government of Yukon programs through indexation, (indexation is updated each April unless otherwise noted), including:
 - 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)

Session Briefing Note

Inflation and Affordability (Corporate Note)

Spring 2024

Finance

- o Student Financial Assistance (updated each school year)
- o Tobacco Tax is updated each January
- o Yukon Child Benefit (July)

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:
 - o Providing tourism sector leadership;
 - o Rebuilding confidence and capabilities for tourism;
 - o Supporting the recovery of tourism industry operators; and
 - o 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:
 - o Tourism Accommodation Sector Supplement (TASS);
 - o Tourism Non-Accommodation Sector Supplement (TNASS);
 - o Culture and Tourism Non-profit Sector Supplement;

Session Briefing Note

Inflation and Affordability (Corporate Note)

Spring 2024

Finance

- 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:

March 19, 2024

Deputy Minister, Finance

Approved

ENV #1 / EMR #33

Spring 2024

Session Briefing Note Our Clean Future Implementation

Environment and Energy,
Mines and Resources

Recommended response:

- We recognize the urgency of the climate emergency and launched Our Clean Future in September 2020 to map our route forward.
- The Government of Yukon continues to make significant progress on implementing Our Clean Future. In December 2023, we released the third Our Clean Future annual report outlining the progress we made responding to climate change in 2022.
- The report announced the addition of 42 new actions to help us reach our climate goals. These new actions are a product of the important work of the Yukon Climate Leadership Council, the Yukon Youth Panel on Climate Change, Navius Research and the findings in the Climate Risk Assessment report.
- The 42 new actions implement 15 recommendations from the Yukon Climate Leadership Council and three recommendations from the Yukon Youth Panel on Climate Change.
- Additionally, several of the new recommendations put forward by the Yukon Climate Leadership Council align with existing Our Clean Future actions.
- We will continue to work together to advance our efforts to reduce emissions as we assess our progress year-to-year, consider new research and the input of others, and increase our resilience to climate change.
- We have also revised 19 existing actions to better align with our efforts to reduce the Yukon's greenhouse gas emissions and build a climate resilient territory.

Session Briefing Note
Our Clean Future
Implementation

Spring 2024
Environment and Energy,
Mines and Resources

Additional response:

- As we continue to address climate change it is important for us to look back on our progress as we diligently work towards our objectives.
- We legislated greenhouse gas emissions targets and associated reporting through the Clean Energy Act in 2022.
- We installed electric vehicle chargers in every road-accessible community in the Yukon, enabling zero-emissions travel throughout the territory. (See EMR BN #29)
- We launched the five-year Sustainable Canadian Agricultural Partnership in 2023 which will enhance the agriculture sector's resiliency and adaptation to climate change.
- In collaboration with the Yukon's public utilities, we met our target to install seven megawatts of renewable electricity capacity through the Micro-Generation program by 2030. (See EMR BN #38)
- We launched the Better Buildings Program to offer affordable financing for energy retrofits to Yukoners' homes and buildings in 2022.
- We established a geohazard mapping program to understand risks from climate change to the Yukon's transportation corridors.
- We advanced emergency preparedness as we progressed the 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 to develop flood hazard maps for all flood-prone Yukon communities. We expect to release flood maps for the Southern Lakes, Carmacks, and Teslin in 2024. Flood hazard mapping

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Session Briefing Note Our Clean Future Implementation

Environment and Energy,
Mines and Resources

for Old Crow and Dawson and the Klondike Valley will begin in 2024 and 2025.

- In May 2023, we completed the installation of a biomass heating system at Elijah Smith Elementary School in Whitehorse.
- In January 2024, we passed an electric vehicle charging station regulation under the *Public Utilities Act* to allow First Nation governments, private businesses and municipalities to sell electricity through electric vehicle charging stations.

Third response:

- Of the original 136 actions released in Our Clean Future in 2020, we have completed 45 actions. Eighty-seven actions are in progress and four are yet to begin.
- The ambitious addition of 42 new actions in 2023 puts us on track to reduce the Yukon's emissions by 30 per cent by 2030; however, there is still significant work required to meet our target reduction of 45 per cent by 2030.
- We are working with industry to establish a path to implement the mining intensity target of a 45 per cent reduction in emissions per unit of production by 2035.
- We will continue to build on Our Clean Future as we learn more and implement new actions. This will be reflected in future annual reports.
- We will continue to find opportunities to reach our targets as we work with experts, stakeholders and partner governments across the territory and beyond.

Context — this may be an issue because:

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Session Briefing Note

Our Clean Future Implementation

Environment and Energy,
Mines and Resources

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

Background:

- Our Clean Future was released on September 14, 2020 and now has 178 actions, of which 136 are original actions and 42 are new actions. These actions seek to reduce greenhouse gas emissions and support the Yukon to be highly resilient to the impacts of climate change by 2030 (see Appendix A).
- The Government of Yukon reports annually on progress for the implementation of Our Clean Future. Three Annual Reports have been published to date, with the latest report released on December 20, 2023.
- The Our Clean Future website was launched in December 2023, which shows our commitments and successes towards fighting climate change.
- On February 16, 2024, the Government of Canada released an update on design options being considered for the upcoming Clean Electricity Regulations. This regulation is one of the Government of Canada's central commitments towards transitioning Canada towards a net-zero electricity grid by 2035.
- Yukon will be exempted from the Clean Electricity Regulations as the territory's electricity grid is currently not interconnected with any other region and is therefore not regulated by North American Electric Reliability Corporation.

Approved by:

March 19, 2024

Deputy Minister
Department of Environment

Date approved

March 19, 2024

Deputy Minister
Department of Energy, Mines and Resources

Date approved

Housing Issues

Yukon Housing Corporation

Recommended response:

- Many Yukoners continue to face challenges across the housing continuum, including:
 - homelessness and a lack of access to housing with services;
 - a lack of affordable rental supply; and
 - high house prices and mortgage rates.
- Exceptionally high building costs and rising interest rates are creating significant challenges for both Yukon Housing Corporation and its partners.
- The corporation's new strategic plan, Creating Home, will help transform affordable housing service delivery through the adoption of a more client-centred and collaborative approach that integrates supports and leads to better outcomes for Yukoners.

Additional response:

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

Context:

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

Background:

General housing information in the Yukon

Homelessness

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

Housing Issues

Yukon Housing Corporation

Rental pricing

- As of October 2023, the median rent for units in Whitehorse in all types of buildings \$1,368. This is 5.1% higher than it was in October 2022. For rental units in buildings with three or more units, the median rent was \$1,250, and the vacancy rate was 1.2%. Within the renter population in Whitehorse:
 - 22.7% live in unaffordable housing;
 - 17.9% live in unsuitable housing; and
 - 10.5% live in inadequate housing.

Rental and vacancy rate, Yukon (YBS)

	April 2022	October 2022	April 2023	October 2023
Median rent (all types)	\$1,300	\$1,301	\$1,325	\$1,368
Vacancy rate (all types)	1.6%	1.7%	2.2%	1.9%

Housing Construction

- Residential building construction declined by 19.3% over the same period. There was \$81.9 million in residential building construction in Yukon in 2023. This figure represents a 7.5% decline from 2022.
- Labour shortages contribute to higher construction costs and are leading to lower residential construction output.¹

House prices

- Yukon Bureau of Statistics real estate reports show that average prices for single detached and condos have fallen for three consecutive quarters; however, house prices remain high and many Yukoners face affordability challenges due to rising mortgage rates.
- Average House Prices (YBS)

Type	Whitehorse Average House Prices		
	2022 Q3	2023 Q3	Change
Single-detached house	\$701,200	\$664,600	(-5.2%)
Condominium	\$459,400	\$426,600	(-7.1%)

¹ Northern Housing Report, 2023

Yukon Housing Corporation Accomplishments

Creating Home – YHC new strategic plan

- Creating Home is the corporation's new 5-year strategic plan that will transform affordable housing service delivery through the adoption of a more client-centred and collaborative approach that integrates supports and leads to better outcomes for Yukoners and communities.
- The plan draws on a recognized framework intended to re-design and transform health care delivery, called the Quadruple Aim, and adapts it to housing.
 - This innovative approach to housing delivery will lead to better outcomes by:
 - improving the client and provider experience
 - strengthening community wellbeing; and
 - contributing to a sustainable future
- Creating Home represents a significant shift in how Yukon Housing Corporation operates and delivers housing services.

Capital builds recently completed by YHC or partners:

- 60 units completed between 21/22 and 22/23 by YHC
- **February 2024** 10 units in Old Crow (with HPW)
- **March 2024** accessible duplex in Faro
- **January 2024** – 3-unit mobile home delivered and prepared for occupancy for RRDC staff to help improve social conditions in the community.
- **August 2023** – two accessible, affordable duplexes in Mayo and Carmacks, YHC
- **July 2023** – a 12-bed men's shelter, Jëje Zho, in Dawson City, Tr'ondëk Hwëch'in
- **May 2023** – 9-unit Elders' complex, Vuntut Gwitchin First Nation
- **January 2023** – 87-unit rental development in Whitehorse by Boreal Commons
- **January 2023** – 47-unit build for in Whitehorse YHC
- **December 2022** – 84-unit Seniors' Supportive Housing Facility, Normandy Living.
- **July 2022** – 45-unit multi-use building, Cornerstone: Opportunities Yukon
- **June 2022** – triplex in Whitehorse, YHC
- **Summer 2022** – 20-unit, Whistle Bend: Champagne and Aishihik First Nations
- **March 2022** – triplexes in Mayo and Watson Lake, YHC

Housing Issues

Yukon Housing Corporation

Underway or Upcoming housing capital projects for YHC and partners

YHC- Underway (12 units)

- 10-unit Watson Lake Housing First building
- 2-unit affordable duplex in Dawson

YHC – Upcoming (112+ units) Community housing:

- 34-unit building with 8 accessible units in Dawson
- 45+ unit building with 9 accessible units on 6th Avenue in Whitehorse (formerly Ryder Apartments)
- 10 units in Mayo
- 6-plex in Teslin
- 6-plex in Carcross
- 6-plex Haines Junction
- Accessible triplex in Whitehorse
- Accessible duplex in Ross River

Staff housing:

- Accessible duplex in Destruction Bay
- Accessible duplex in Pelly Crossing
- Duplex in Burwash Landing

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

- July 2023, the corporation acquired an additional 16 units for lease from Normandy, for a total of 26 units to lease to YHC clients through its rent supplement program.
- Since 2020, the corporation has supported over 300 households pay rent through the Canada-Yukon Housing Benefit. As of April 2024, 177 clients are receiving monthly support.

Support for homeowners:

- March 2024 – CYHB Homeowners stream
- June 2023 the Yukon government launched an \$8.25 million flood recovery program for residents and businesses affected by flooding in the Klondike Valley. (Tab #19)

Housing Issues

Yukon Housing Corporation

- April 2023, YHC launched the expanded Yukon Home Ownership Program which provides mortgages for qualified households to build and buy their homes across the territory, including Whitehorse.
 - The program is currently under review and scheduled for revision in the coming year.
- In 2020, YHC launched the revised Home Repair Program to support low to moderate-income Yukon homeowners to remain in their homes and age in place by providing funding to address mobility requirements, repairs, or core housing needs.

Support for new residential land development 2023:

- June 2023, the Government of Yukon partnering with the Government of Canada and the City of Dawson to develop [four new residential lots in Dawson City](#).
- February 2023 – 120 lots, including single family, multi-family and townhouse lots in Whistle Bend made available through public lottery.
- March 2023 Government of Yukon partnered with Liard First Nation on developing 43 new residential lots on Frances Avenue in Watson Lake.
- March 2023 – 74 residential lots in Mayo and the Logan and Whistlebend subdivisions of Whitehorse made available through public lottery.
- November 2022, signed a loan agreement with Kwanlin Dün First Nation's (KDFN) arm's-length development corporation Chu Níkwän Limited Partnership (CNLP) for a new residential land development project at [Copper Ridge West in Whitehorse](#), the first large-scale residential land development on settlement land in the Yukon. An amended loan agreement was signed August 2023 with Chu Níkwän for the same development.

Approved by:

President, Yukon Housing Corporation

April 30, 2024

Date approved

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

Executive Council
Office

Recommended response:

- Reconciliation is an ongoing process and a shared responsibility of all governments and individuals in our society.
- Our government is deeply committed to advancing reconciliation through collaboration and partnership with Indigenous governments.
- While there is still work to do, our efforts are resulting in meaningful change and creating better programs and services for all Yukoners.
- In 2023, on the National Day for Truth and Reconciliation, 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 the actions being taken across the Yukon government and in close collaboration with First Nation governments and organizations in areas including child welfare, health, education and justice.

Additional response:

- The Government of Yukon and Yukon First Nation governments are leaders in demonstrating a collaborative approach to reconciliation.
- We will continue our collaborative work to implement and report on the Calls to Action, including through work on the Yukon Forum joint priorities and by implementing the *Putting People First* recommendations.

Context—this may be an issue because:

- The 2023 mandate letters include a commitment to fulfill the Truth and Reconciliation Commission's (TRC) Calls to Action.

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

- The TRC report, *Honouring the Truth, Reconciling for the Future*, was released in 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) 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
 - 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 Office2024.02.02

Date