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HANSARD

Thursday, April 18, 2019 — 1:00 p.m.

Speaker: The Honourable Nils Clarke

YUKON LEGISLATIVE ASSEMBLY

2019 Spring Sitting

SPEAKER — Hon. Nils Clarke, MLA, Riverdale North
DEPUTY SPEAKER and CHAIR OF COMMITTEE OF THE WHOLE — Don Hutton, MLA, Mayo-Tatchun
DEPUTY CHAIR OF COMMITTEE OF THE WHOLE — Ted Adel, MLA, Copperbelt North

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Hon. Ranj Pillai	Porter Creek South	Deputy Premier Minister of Energy, Mines and Resources; Economic Development; Minister responsible for the Yukon Development Corporation and the Yukon Energy Corporation
Hon. Tracy-Anne McPhee	Riverdale South	Government House Leader Minister of Education; Justice
Hon. John Streicker	Mount Lorne-Southern Lakes	Minister of Community Services; Minister responsible for the French Language Services Directorate; Yukon Liquor Corporation and the Yukon Lottery Commission
Hon. Pauline Frost	Vuntut Gwitchin	Minister of Health and Social Services; Environment; Minister responsible for the Yukon Housing Corporation
Hon. Richard Mostyn	Whitehorse West	Minister of Highways and Public Works; the Public Service Commission
Hon. Jeanie Dendys	Mountainview	Minister of Tourism and Culture; Minister responsible for the Workers' Compensation Health and Safety Board; Women's Directorate

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Brad Cathers	Lake Laberge	Patti McLeod	Watson Lake
Wade Istchenko	Kluane	Geraldine Van Bibber	Porter Creek North

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New Democratic Party

Liz Hanson	Leader of the Third Party Whitehorse Centre
Kate White	Third Party House Leader Takhini-Kopper King

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**Yukon Legislative Assembly
Whitehorse, Yukon
Thursday, April 18, 2019 — 1:00 p.m.**

Speaker: I will now call the House to order.
We will proceed at this time with prayers.

Prayers

DAILY ROUTINE

Speaker: We will proceed at this time with the Order Paper.

Introduction of visitors.

INTRODUCTION OF VISITORS

Ms. Hanson: I would ask members of the House to join me in welcoming a couple of old friends — well, I shouldn't say that — Betty Sutton, Paul Warner, Mary Whitley and Gerry Whitley — who are all here I'm sure for the Earth Day tributes, and who are long-time birders in this territory.

Applause

Hon. Ms. Frost: I ask my colleagues to help me in welcoming from Zero Waste Yukon Irma Webb and Joy Sneider. We have from the Department of Environment Jennifer Dagg, Sarah Chan, Erin Loxam, Bryna Cable, and Cameron Eckert, and then from the Yukon Bird Club, we have Betty Sutton, Paul Warner, and Mary and Gerry Whitley. Welcome today.

Applause

Speaker: Are there any further introductions of visitors?

Tributes.

TRIBUTES

In recognition of Dawson International Short Film Festival

Hon. Ms. Dendys: I rise today on behalf of all Members of the Yukon Legislative Assembly to pay tribute to the committee members and volunteers of the Dawson City International Short Film Festival. The festival — run by the Klondike Institute of Art and Culture, also known as KIAK, and a large number of volunteers — is celebrating its 20th year. This is a fantastic opportunity to highlight the hard work and passion of those who make it a success each and every year.

The Dawson City International Short Film Festival is a chance to see unique films that you may not come across in mainstream media. To mark the 20th anniversary, members of the Dawson City International Short Film Festival committee will pick their favourite Yukon-made movies over the past 20 years. Those Yukon gems will be screened alongside a variety of other short films from around the world.

In addition, special events, such as panelled discussions, meet-and-greets, workshops, and awards help filmmakers to build networks and seize marketing opportunities.

Mr. Speaker, the festival was one of the first initiatives of the Klondike Institute of Art and Culture when the organization opened its doors in 1999. It is an event that has a positive impact on the community every year in a typically quiet shoulder season. The festival keeps hotels and restaurants busy and attracts industry professionals and curious visitors from around the world.

This would not be possible without passionate and dedicated volunteers. Thank you for all of your dedication to the festival and to our community. The event is a testament to the people of Dawson. Dan Sokolowski is the long-time organizer of the festival and he works incredibly hard to make sure that the event is a success every year, and I have seen this first-hand. He works very, very hard. More than 80 volunteers put hundreds of hours in throughout the year to view, recommend the films to be screened, and contribute to making the festival happen and to an amazing weekend.

Mr. Speaker, this will be my third time attending this amazing event. It is becoming a familiar Easter tradition and a great chance to reconnect with the community before the busy summer season begins. I am excited to see re-screenings of some of the top picks from the past 20 years in celebration of this important milestone. This is certainly one of my favourite Dawson weekends, and one that I absolutely recommend to visitors and Yukoners on a regular basis. A highlight really is the interaction with the filmmakers, which takes place casually throughout the weekend and in a way that is only uniquely Dawson.

Thank you again for your energy, passion, and commitment to this wonderful festival that we all enjoy each and every year.

Applause

In recognition of Earth Day

Hon. Ms. Frost: I rise today on behalf of the Yukon Liberal government ahead of Earth Day on April 22 to pay tribute to the world in which we live and to those who serve to protect it.

Yukoners have made it clear that the environment matters to all of us. A healthy environment with sustainable wildlife populations and opportunities to enjoy the wilderness are fundamental to our quality of life here in the Yukon.

I would like to take a moment to recognize a few leaders in our community who help us to open our eyes and even change our behaviour to better support the environment around us.

This year marks the 25th anniversary of the Yukon Bird Club. This non-profit organization helps Yukoners become aware of, appreciate, and work to conserve our winged friends in the Yukon. Whether you are an avid birder trying to add to a life list or if you are participating in your first Birdathon, the Yukon Bird Club is a great resource to help you to open your eyes and ears to the sights and sounds of our rich and varied bird populations.

The stewardship of our environment is more than monitoring and protecting our natural species; it is also about recognizing our impact on the Earth. From climate change to

contamination, we need to do a better job, and doing a better job requires effort from all of us. For example, our disposable lifestyles are taking a toll on the land, water, and atmosphere.

I would also like to take a moment to recognize Zero Waste Yukon for pushing the envelope on issues around waste and waste management. Zero Waste Yukon works to reduce the amount of material that we send to the landfill by helping Yukoners to think about what we buy, reusing and repurposing what we no longer need, and recycling or composting what remains.

For the last five years, Zero Waste Yukon has been working to inspire change through public education, engagement, events, and initiatives. Most recently, they have been pushing for surcharges on single-use shopping bags, and we are listening. Yukoners only have one more week to answer the survey on engageyukon.ca about how we should implement surcharges on single-use bags. The push to reduce waste won't stop here. This is just one more stop in our ongoing effort to improve Yukon's waste management.

There is no second chance when it comes to protecting the Earth that gives us so much. Let us get on the right path now to protect what we have, to save our ecosystems before they are lost, and to make better futures for the next generation of Yukoners. I hope that everyone will join me in celebrating Earth Day on Monday, April 22. Thank you.

Applause

Mr. Istchenko: I rise on behalf of the Yukon Party Official Opposition to pay tribute to and recognize Monday, April 22 as Earth Day. This year, Earth Day is centred around the theme "Protect our Species". Earth Day is recognized as the largest environmental awareness event in the world. It has begun to hold more and more significance to those who take part in events across Canada and around the world. As we face climate change and an increasing global population, it is becoming so much more important to make a conscious effort to consider environmental impacts in our daily activities.

I would like to focus on this year's Earth Day theme. We hear more and more about the near extinction of so many species around the world. We can appreciate those species and their importance in the world, although most of us have never set eyes on their beauty in person. Here in the Yukon, many people are probably not aware that we too have species at risk. While they may not be in imminent danger of extinction, we must work to protect and respect them to ensure that they continue to grace our beautiful territory.

One species here in the Yukon that was once considered to be of special concern in Canada is the trumpeter swan. It has been deemed to not be at risk since a population increase was noted in 1996, but I feel it is timely to mention this majestic bird, as Earth Day and the Celebration of Swans coincide annually.

While the trumpeter swan is not considered at risk in Canada, it is listed with the Yukon *Wildlife Act* as specially protected, along with the peregrine falcon, the cougar, and others. While we have a vast range of species that have been deemed to be threatened, Yukon is home to only a small

handful of endangered species. These include two species of bat, a species of bumblebee, and a species of bird.

I do want to thank those who work in the field of biology, among others, who research and monitor species across the Yukon and their habitats. Their work greatly benefits Yukon's conservation efforts and it is great to have the opportunity to thank them for their work on this Earth Day.

We are doing so many things to improve the quality of our environment, and I would like to take this moment to remind Yukoners that every small act makes a big difference.

Applause

Ms. White: I rise on behalf of the Yukon NDP caucus to tribute Earth Day. From its beginnings in the United States in 1970, much in the world has changed. In the beginning, the debate was whether or not climate change was real, but we no longer have the luxury of that debate. We see the effects worldwide of a changing climate on the human family as floods, fires, and other disasters continue to ravish the planet. We know that climate change is real. The climate change debate has ceased to be a debate at all, and it should now be viewed as a rallying cry for action.

I think of myself as a global citizen. Living here, I'm surrounded by other global citizens. We try to make decisions that will have the least amount of impact on the world around us, knowing that our actions affect the global environment and, in turn, affect people in countries far, far away from our borders.

Life in the Yukon is very different from many realities worldwide. We have access to open spaces, an abundance of fresh water, and air that is safe to breathe. At every turn, I am reminded of how lucky we are living where we do. Sometimes, I wonder if we don't take all of these things for granted because for us, it's our everyday reality.

Humanity has come to a critical point. Two futures stand before us: We can continue on our current path, where we rely on outdated electrical grids, inefficient buildings, and dirty power plants that contaminate our air. We can continue to kill the planet that sustains us, or we can change. We can create greener cities, where solar panels and wind turbines power our homes, where buildings use less energy and save money, where our air and our water are cleaner, our quality of life is better, and our economy is stronger. This cleaner, more sustainable future is within our grasp, but to get there, we need to rethink old conventions, improve energy efficiency, and invest in green technology. We need to change the way we see the world, understanding that all actions that we take have consequences.

Every day that passes without concrete actions to combat climate change, that sustainable future we want moves farther from our grasp. We need to stand up for the future we deserve.

Mr. Speaker, we're lucky to live in a territory where our population is aware of the changes that are happening worldwide. Yukoners understand our vulnerability but respect the food and energy security, and we understand the very real effects of climate change as seen in this year's record-low snowfall and above-average winter temperatures. Yukoners

understand our responsibility to break away from our fossil fuel dependency, which worsens climate change.

So that leaves me with two final questions, Mr. Speaker: What choices are we as decision-makers making here in the Yukon to support the efforts of Yukoners to develop a more resilient and sustainable future, and — maybe most importantly — are we doing it quickly enough?

Applause

Speaker: Are there any further tributes?
Are there any returns or documents for tabling?
Are there any reports of committees?
Are there any petitions?
Are there any bills to be introduced?
Are there any notices of motions?

NOTICES OF MOTIONS

Mr. Adel: I rise today to give notice of the following motion:

THAT this House urges the Government of Yukon to work with the Yukon Hospital Corporation to plan and design a new secure medical unit at the Whitehorse General Hospital.

Mr. Kent: I rise to give notice of the following motion:

THAT this House urges the Government of Canada to fulfill the spirit and intent of the *Protecting Canadians from Unsafe Drugs Act* — otherwise known as Vanessa's Law — by working with health care practitioners and administrators to improve reporting and mitigation of adverse drug reactions, which are Canada's fourth leading cause of death, by:

(1) expanding the definition of a "prescribed health care institution" either in the *Food and Drugs Act* or corresponding regulations; and

(2) expanding the definition of a "serious adverse drug reaction" either in the *Food and Drugs Act* or corresponding regulations to include all adverse drug reactions.

Speaker: Are there any further notices of motions?
Is there a statement by a minister?

MINISTERIAL STATEMENT

Wildland fire and emergency measures

Hon. Mr. Streicker: I rise before the House today to highlight the ways that our government is preparing for the 2019 wildfire season.

Mr. Speaker, just this morning, our wildland fire team provided a seasonal risk and readiness briefing for Members of the Legislative Assembly, and this afternoon, they will be briefing the media.

I want to take this opportunity to speak to wildland fire preparation, as we move into another fire season in the Yukon, and to acknowledge our emergency response professionals, as they work to safeguard our communities.

It has been a rather dry start to spring. Snow cover is gone in the valley bottoms three to four weeks earlier than we have seen in many years. Our wildland fire specialists are monitoring conditions, including early lightning strikes. Our

crews are assembling and training, and will exercise our emergency plans. We have already seen one wildfire start in the Dawson area. Overall, the service is planning operations based on their ongoing assessment of wildland fire risk.

Protecting the Yukon is a top priority for all the men and women of the fire service. As of April 1, wildland fire crew leaders and seasonal officers were on strength. Twenty-four type 1 initial attack crews, including 13 First Nation crews, are now preparing for the 2019 season. Yesterday, the Yukon First Nations Wildfire's "Beat the Heat" boot camp wrapped up, with a record 52 trainees, including nine women — more than we have ever seen before. In total, over 100 people contributed to the success of the boot camp.

For the first time ever, Wildland Fire Management worked with the Yukon First Nations Wildfire organization to certify the trainees as type 2 wildland firefighters. On April 29, Wildland Fire Management kicks off the annual initial attack type 1 crew training. Over a two-week period, these firefighters will be trained, tested, and challenged so that they are ready for whatever the season may bring.

These early season training courses safeguard the men and women in the wildland fire service, ensuring that they have the essential training they need to assess wildfires, anticipate fire behaviour, make critical choices for the safety and security of people and infrastructure, and train and re-train on safe work practices around wildfire and heavy equipment.

Mr. Speaker, our crews are preparing to respond and protect Yukon communities from wildfires, but it is important to highlight that it takes more than firefighters to safeguard our homes. It's also important that every citizen take steps to prevent wildfires. This means ensuring that campfires are fully extinguished, that we only burn when permitted, and that we firesmart around our homes. We know from experience that firesmarting can be the difference between a house that is lost and a house that is saved in an urban interface fire.

Wildland fire prevention will also be highlighted during Emergency Preparedness Week — May 5 to 11 — and through Operation Nanook in June. Operation Nanook is an important emergency planning exercise that will centre on a wildfire scenario in the Southern Lakes, interfacing with Whitehorse. It will test our emergency management mechanisms and readiness. I would like to thank the City of Whitehorse, the Village of Teslin, the Teslin Tlingit Council, the Carcross/Tagish First Nation, the Department of National Defence, Public Safety Canada, and the many government departments for their involvement and contribution.

Next month, we will also be conducting an emergency alert test on May 8. This system allows us to deliver essential updates and is critical to saving lives and protecting Yukoners.

Mr. Speaker, I will close by thanking our wildland fire professionals and emergency responders who stand on the frontlines to protect our families and homes. I urge all Yukoners to participate in Emergency Preparedness Week. Let's take emergency preparedness into our own hands.

Mr. Cathers: I'm pleased to rise on behalf of the Official Opposition in response to this ministerial statement

about wildfire readiness. First of all, I would like to thank the government employees who provided us with a briefing this morning about wildfire risk, precipitation, snowpack levels, and Operation Nanook. I would also like to thank everyone who is working to prepare the Yukon for a season that appears to have a higher than normal risk of fire, including Wildland Fire Management, Yukon First Nations Wildfire, volunteer fire departments, EMO, and others across the territory.

We are also pleased to see the type 2 training for wildland firefighters that the minister mentioned as being made available. However, I do have to emphasize the fact that more needs to be done in the area of wildfire risk reduction. As we have discussed a number of times in this Assembly, the Yukon Party Official Opposition appreciates the work being done by FireSmart Whitehorse, the Yukon Wood Products Association, and other Yukon citizens to raise awareness of the importance of reducing wildfire risk in and around communities.

Yukoners are growing increasingly aware of the importance of this due to these efforts as well as seeing the effects of serious wildfires in areas including Telegraph Creek, Lower Post, and Fort McMurray, as well as the Paradise fire in California and other wildfires in BC. This has all resulted in an increased public awareness of wildfire risk.

The beauty of the boreal forest here in the Yukon is an important part of what many of us love about the Yukon, but we also need to recognize that when it is in or near communities, it does pose an additional wildfire risk. We need to take a realistic look at this through a lens of fire risk reduction and do more targeted harvesting to reduce that fire risk in and near communities.

I am again encouraging the government to take advantage of this wave of public support and awareness and to use this opportunity to work with other levels of government, the private sector, and citizens to develop an action plan for targeted harvesting. It is important to deal with this as a matter of high priority rather than this becoming a long planning process. There needs to be some sense of urgency, as targeted harvesting to reduce wildfire risk in and near communities should be done right now.

This is a problem, but it is also an opportunity to grow the private sector and work with First Nation development corporations by rethinking how we deal with fire risk reduction and providing the opportunity for long-term private sector jobs in targeted harvesting. It is also an opportunity to reduce our dependence on fossil fuels and move toward wood or biomass heating solutions for government, commercial, and residential buildings. This is an opportunity to increase the Yukon's ability to be more self-sufficient and meet our own needs through smart use of our renewable resources and effective solutions to reduce wildfire risk while growing the private sector.

Ms. White: In response to the minister's statement, we would like to thank the government officials who spoke at the briefing this morning. It was insightful, interesting, and —

most importantly — comforting to know that our emergency preparedness is in such good hands.

For several years, we have been pushing for expanded emergency preparedness plans that are publicly available, and department officials informed us that we would be seeing those rolled out by the City of Whitehorse shortly. These are essential because they allow residents to do their part in preparing for an emergency. Not only will that make Yukoners safer, but they will take pressure off of emergency responders by creating a more responsible and informed public.

We will also be intently following the progress and lessons learned from Operation Nanook this summer. Our briefing this morning was an encouraging one, as it is apparent that EMO is doing their best to cast out as wide a net as possible when it comes to working cooperatively, including levels of federal, territorial, and municipal levels of government, as well as volunteer organizations.

The Yukon government mentioned that there would be a lessons-learned document prepared after the operation. We would like a commitment from the minister to share that with the opposition and the public.

As the minister stated, we have seen a warmer spring than usual, which has the potential to push up the onset of our fire season. We believe that we cannot talk about wildland fire management without talking about climate change. We know that there will be seasonal effects on Yukon's climate that have the potential to impact our fire seasons. Not only do we have a duty to understand how those climate events might affect seasonal fire risk, but we also have a duty to reduce our own generation of greenhouse gas emissions that are contributing to that climate change.

Mr. Speaker, for the sake of wildland fire crews and Yukon residents, we are hoping for a mild and boring fire season.

Hon. Mr. Streicker: Well said to the Member for Takhini-Kopper King. First of all, I just wanted to respond to a couple of comments and just add a couple more.

With respect to the Official Opposition — the member spoke about going further for fuel reduction. I was just at a public meeting this past Tuesday — a community meeting — where we talked about wildfire risk, FireSmart, and emergency planning, and I laid out our overall plan to reducing fuel load over the next several years. I talked as well about doing some fuel reduction this year within the City of Whitehorse, and later — next week, I think it is — I will be touring those areas with the Mayor of Whitehorse to look at fuel reduction strategies within the City of Whitehorse.

I also appreciate the comments from the Member for Takhini-Kopper King talking about the emergency plan. I note that it is the City of Whitehorse that has the lead on the City of Whitehorse emergency plan; however, our departments are working very closely with the City of Whitehorse.

I will do my best to always try to share all documents. I think that they are way more important when they are in

public hands and everybody's hands. It is so important that we continue to address these issues.

With respect to climate change, I can say that we are also working with a national group talking about codes, standards, and best practices and about how our homes are designed in our subdivisions to keep them safer from wildfire.

I wanted to note that our crews are certified to the highest standard in Canada. They will be qualified to size fires, anticipate fire behaviour, and direct our air resources and heavy equipment.

I think that we have also been a leader when it comes to addressing First Nation capacity and wildland firefighting. This is a priority action under the national report on increasing wildland fire resilience in Canada. I was really happy that we got to the type 2 level of training that the Member for Lake Laberge noted.

To those crews who will be tasked by us to protect Yukon this summer, I say this: You are taking the next step on a new chapter in your lives — a step toward adventure and camaraderie. But firefighting is also a step toward learning about self-sacrifice, a step toward discovering what you are made of, and a step toward discovering your limitations and pushing past them.

Speaker: This then brings us to Question Period.

QUESTION PERIOD

Question re: Children in care

Ms. McLeod: Thank you, Mr. Speaker. Last February, the Minister of Health and Social Services met with a young person who made allegations of abuse within government-run group homes. For months, the minister and the Liberals plugged their ears and did nothing about this. Seven months later, the minister gave a half-hearted apology, where she accepted no responsibility. The problem was that, from the beginning of this scandal, the minister and her government did not believe the children or the whistle-blowers, and they took no action. In fact, they actively launched a witch hunt to find the whistle-blowers — even sending in people pretending to be plumbers to kick people out of their offices as they searched through computers.

Now that the Public Interest and Disclosure Commissioner has released her report and has found wrongdoing, will the minister apologize that she and her government did not believe the allegations being made by the children and the whistle-blowers?

Hon. Ms. Frost: First off, I would like to thank the PIDWA commissioner for the report — the special investigation that was tabled. I would also like to acknowledge Pam Costanzo for her report — and all of the staff for the great work that they have done to address the historical wrongdoings, to look at the faults in the structural design of the Family and Children's Services unit. Historically, we have gone out — I have publicly apologized. What I didn't hear from the opposition members was their apologies for what they did when they were in office

managing the department — because, Mr. Speaker, this report goes back quite a lot of years.

We have done a lot — and I am very pleased about that — in terms of participating fully with the commission's reports and going above and beyond to address — and working with the youth. I have worked with the youth in question. I am happy to say that I have. Why? Because the youth is directly connected to my First Nation, and it is imperative that we look at indigenous children in care, try to eliminate the barriers that are there for all of the children, and ensure that we have adequate resources and supports for all of the children.

Ms. McLeod: When CBC first broke the story, the Minister of Justice dismissed it and told Yukoners not to believe everything you read in the news. A few weeks later, the Premier went on the radio and dismissed it further by suggesting that the media was only dealing in rumors and that he had all of the facts.

So let's look at the facts. The commissioner's report says: "I found that the youth, who was in the care of the Director, was evicted from the group home without suitable alternate accommodation and that the decisions, actions or omissions of Department employees involved amounted to wrongdoing."

She goes on to say that the wrongdoing amounted to a fundamental contravention of the *Child and Family Services Act*. The Minister of Justice and the Premier should have taken the media reports more seriously instead of dismissing them. Now that the commissioner has completed her investigation and she has made eight recommendations to remedy the wrongdoing, will the minister accept and implement all of the recommendations?

Hon. Ms. Frost: I am very pleased with the report. In fact, it's welcome. It is welcome because it highlights for us historical pressures. Members of the opposition — the previous government, who followed this system — were in office during this time. The question I would ask is: What did they do during this time when the wrongdoing took place? What I can say is that the commissioner has identified one wrongdoing — that report occurred in November 2016.

We have also, through the Costanzo report, identified that same wrongdoing through that commission report, and we have taken the necessary action. I am very pleased about that. I am pleased about how far the department has come. Our partnership is really important — in terms of looking at supports and reconciliation — respecting the indigenous communities, respecting the foster parents and respecting all of our partners in the Yukon — to look at our priorities and of course continuing to ensure that the youth who we have in our care are given the absolute best support and services. That is our duty as a government.

Ms. McLeod: The Premier himself suggested that the media's reporting was untrue. On CBC radio on April 25, 2018, the Premier was point-blank asked why his government hadn't taken action on the allegations of abuse, and he suggested that the reporting was false. His exact quote was: "While the opposition and the media deals with allegations, we as a government are dealing with facts."

Well, it turns out that it was actually the media that was dealing with facts. The government has until mid-June to notify the commissioner about the steps it is taking to address the recommendations, but that doesn't mean that it has to wait until the last minute to notify the commissioner. If the minister wanted to make these a priority, she could expedite the response and implementation of these recommendations.

Instead of delaying, will the minister agree to begin implementation of these recommendations immediately?

Hon. Ms. Frost: What I can say is that we have received the report. We have received the Costanzo report. We received the report from the PIDWA commissioner. We are waiting for the *Child and Family Services Act* review to conclude. We have done exceptional work to address the challenges, the barriers, and the policy advancements that we needed to do within Health and Social Services and Family and Children's Services.

With responsibilities as a government — we cannot take responsibility for what the Yukon Party has done historically in terms of structure. What I have control over — and what the department has control over — is what do we do in this circumstance as we move forward.

What I can say is that in 2016, when we took office, we had 158 children in care. We were at capacity. We could not take more children in. That resulted in some of the challenges. Through collaborative efforts with our partners, we have reduced that number to 92. In 2016, when the incident took place, we had ranging from 46 to 60 children in group homes. We now have 19. How did that happen? It was by aligning our systems to better work with our communities and our partners in addressing the children's core needs and bringing them back to their families through extended family care programs.

Question re: Private sector employment

Mr. Hassard: On April 12, the government released its monthly employment report, which confirmed what many Yukoners already knew. The private sector growth under this Liberal government not only stalled, but in fact is shrinking — but the public sector is growing.

According to the government's own statistics, private sector employment is down five percent from December 2016, while public sector has increased by 16.25 percent. There has been a 50-percent increase in the number of people who are unemployed compared to one year ago, and this is in the face of the Liberal's massive government hiring spree.

Could the minister tell us why our private sector is shrinking?

Hon. Mr. Pillai: I appreciate the question and the opportunity to really talk about our economy, our private sector diversification, and the health that we're seeing.

The Member for Lake Laberge always uses that line — "what regular people are saying on the street". Well, do you know what regular people are saying on the street? That they see investor confidence back in the Yukon.

When you take a look at what employers and businesses want to see — they want to see that you actually have an

economy where they can grow, see increased revenues, and strengthen the ability to expand.

The challenges now — there are some challenges. Those challenges are trying to ensure that we have enough individuals to take the many jobs that we have. That is the conversation that I'm having — is to ensure that we have people to take those private sector jobs — just conversations that I was having today.

First and foremost, I think that some of the data the opposition uses is very — they're pretty fast and loose with it. You have to take into consideration that the Yukon government statistics — and also when you look at the public sector — it takes into consideration not only the Government of Yukon but the federal government, First Nation governments, and municipal government hires as well.

We are seeing some cherry-picking of the facts, but I will get into private sector growth and success with my compadres across the way once we get to question number two.

Mr. Hassard: The Liberals seem to like to brag about employment being high, but they forget to mention that all of that job growth under this government has been in the public sector. In fact, the private sector has shrunk under this government.

According to the government statistics — and those are government statistics, Mr. Speaker — private sector employment was down by five percent compared to December 2016, which is in fact a loss of 600 private sector jobs. We are hearing from local small businesses about why this is happening. One local restaurant posted on Facebook last night that they're having to cut back their hours because they can't compete with all of the government hiring. Simply put, the Liberals' hiring spree is directly competing with the private sector.

Why are more and more businesses coming forward to say that it is becoming more difficult to run a business here in this territory?

Hon. Mr. Pillai: Mr. Speaker, if the Leader of the Official Opposition has done his research on his own, he has either made his own decision to leave out the entire context of what was said in that particular posting, or the chief of staff — when he wrote him the question — left it out.

They said two things: Because of the strong mining sector and government opportunities, there has been more of a competition out there. We hear that the sky is falling when it comes to the mining sector, but I guess it's not because, as the member opposite is saying — they're stating that a private sector business — which I just touched on in my first answer — is having some strain with finding people because there are so many opportunities.

If you go back to the last year of active governance by the Yukon Party, you will see that there were 2,000 private sector jobs lost in the Yukon — 2,000 jobs lost at that particular time. I would ask the Member for Lake Laberge to go back and look at the same statistics. Since he touched on that, of course I did some homework and went over the last decade of numbers — 2,000.

At the same time, if you look at our record — while we have been in government, from the month that we took on this responsibility until today, every single month, we have had the lowest unemployment in the country.

Cherry-picking a fact to spin doesn't work. We all know people are building things, there are more jobs, and this economy is getting diversified.

Mr. Hassard: It's unfortunate that this government still refuses to take responsibility. You know, they are in fact the government, and they need to understand that.

Under this Liberal government's watch, the territory, as I said, has lost 600 private sector jobs. Local businesses are raising concerns about the growth of the public sector. They are being suffocated by Liberal red tape. The carbon tax is causing NGOs to say that they will have to lay people off — but all of this is falling on the deaf ears of this government.

As I mentioned, a local restaurant put out a plea last night about the issues facing small businesses here in our territory. They highlighted that there is little or no housing available and that the houses that are on the market are very expensive. Life is becoming unaffordable for small businesses and Yukoners, so what is this Liberal government doing to reduce the cost of living?

Hon. Mr. Pillai: I appreciate that the Leader of the Official Opposition wanted to go right on to the third question after I essentially answered the third question with my second answer — that's fine, but I will go back to it.

Once again, for anybody who would like to look at that comment — it was a local restaurant identifying the fact that the mining sector has been so strong that it's difficult for hospitality jobs to compete with the high salaries in the private sector that are now available because we are seeing the mining sector have a resurgence.

The resurgence is because of our commitment to reconciliation, which in turn builds a foundation of trust. That's why we see the announcements that are being made for diversification. That's why we see companies saying that they are having a — it's a competitive job market because there is a ton of opportunity in the private sector right now. We are seeing the innovation sector begin to grow; we're seeing the resurgence in both exploration and the mining sector.

At the same time, we hear about red tape. The city, which has most of our population, was just named the number one city out of 125 cities in Canada — partially for entrepreneurial growth and partially because of this government's work to reduce red tape. It's clear and simple. Take a look at the *Financial Post*, take a look at the numbers, and take a look at the GDP growth and the opportunities that are available each and every day.

Question re: Public interest disclosure of wrongdoing process

Ms. Hanson: I also want to thank the Public Interest Disclosure Commissioner for her report on allegations of wrongdoing in the delivery of group home care. The commissioner made a number of observations and recommendations for this government. In order to complete

her work, the commissioner logically requested access to the case files and noted that, instead of a succinct and chronological file containing incidents, case plan reviews, and other relevant documentation, the department produced a collection of e-mails and memos. There was much redundancy and repetition of information.

These findings and recommendations are not new. The 2014 Auditor General of Canada report on Family and Children's Services recommended a case management system to meet legislative and policy requirements for all children in care. The government agreed and said it would implement the Auditor General's recommendations.

Can the minister confirm whether or not there is now a proper case management system for all children in care?

Hon. Ms. Frost: I'm pleased to rise today to speak about the great work that's happening within Family and Children's Services with regard to what we have learned — and we have learned a lot from all the commission's reports and assessments. With respect to the direct question — we are looking at an improved, efficient system and we will continue to do that and take under consideration and advisement the recommendations that have come forward. I'm happy to say that work continues, and we will ensure that we have efficiencies as we move forward.

Ms. Hanson: That was five years ago.

The commissioner discussed her role in this investigation and noted how difficult it was to get access to records and to interview staff. In fact — and I'm quoting here: "... requests for the production of records and requests for employee witness interviews were vigorously met with numerous legal challenges..."

She goes on to describe the government's insistence that government legal counsel be present during staff interviews. I can't imagine staff feeling at all comfortable reporting their concerns with government lawyers sitting there. The commissioner suggested that this in fact was an obstacle to the ability of the commissioner to conduct a thorough investigation. She suggests the need for the authority of the commissioner and the whistle-blowing act to be reviewed and clarified.

Is this government committed to the principles and intent of the *Public Interest Disclosure of Wrongdoing Act*? Will the minister commit to amending this vital piece of legislation to clarify the authority of the commissioner?

Hon. Ms. McPhee: The Yukon Public Interest Disclosure Commissioner released a special investigation report, as we are aware, under the *Public Interest Disclosure of Wrongdoing Act* just yesterday. We certainly thank the commissioner for her report, and we will fully consider all of the recommendations and suggestions that she made in that report to develop a plan and a timeline for areas of improvement.

I recollect — although I may stand corrected — that this is the first type of report done under this legislation. Clearly there were opportunities for information to be provided to her. We understand that she was provided all of that information. There is, of course, the concept of legal counsel being

involved in that process. We will review her comments and her recommendations and make a determination going forward as to whether there is the need for any clarification.

Ms. Hanson: To be clear, the report was provided to government on April 10. Mr. Speaker, in the commissioner's final observations, she discussed the *Ombudsman Act*, as there are areas where there are crossovers in her investigations.

Many of the issues identified by the disclosers, as well as those that came to light during the investigation, were more about policy, procedure, and the availability of resources. The individuals could not make a complaint under the *Ombudsman Act*, since they were not directly affected by the wrongdoing.

Other jurisdictions addressed this by providing the Ombudsman the ability to investigate a complaint on their own initiative. Our legislation does not provide that same authority, thus tying the Ombudsman's hands. This is especially important as the individual may be a child or youth, have a developmental disability or lack freedom, or for other reasons may not be able to complain on their own.

Will this government commit to reviewing and changing the powers of the Yukon Ombudsman to allow them to initiate their own investigations?

Hon. Ms. McPhee: I am very pleased to rise today to talk about the concept of the Ombudsman investigations and the *Ombudsman Act* here in the territory, which is something that I am quite familiar with and certainly believe in as a concept for resolving issues and complaints about government. I have much respect for that process.

As I have noted with respect to the recommendations of the PIDWA commissioner, who is also the Ombudsman — for those Yukoners who may not know that — I think it is very important for us to review her recommendations with respect to this report that has been filed in relation to the other pieces of legislation that exist here in the territory and the interplay between those. That is absolutely critical. As the recommendations are considered, that work will be done.

Question re: Children in care

Ms. White: Mr. Speaker, all hell broke loose when serious issues at Yukon government-run group homes were raised. Youth were locked out in the middle of winter and were being denied placement, despite the dire circumstances that they were experiencing. Quite frankly, it was a mess, and the government's response was equally messy. First we had denials that nothing had happened and that the media stories were not true. Eventually, the minister and her deputy apologized for statements that were made with regard to group homes.

You will recall, Mr. Speaker, that the positive outcomes of this debacle were that the Child and Youth Advocate agreed to do an independent systemic review of government group homes and then the repeatedly referenced Costanzo report.

Can the minister tell this House when the Child and Youth Advocate's report on the systemic issues related to government-run group homes will be completed and tabled in

this Assembly, and will she share the Costanzo report publicly?

Hon. Ms. Frost: I am always pleased to rise to speak about the processes by which we govern ourselves — in particular, with youth and children who we have in our care. As noted previously, the historical pressures that we have seen and the wrongdoing took effect prior to my taking office. What I do want to say is that I have acknowledged — I have apologized, and I have met with the youth. I will continue to advocate in support of children who have come into the system — into our care — and ensure that they have the supports they require.

The commissioned report from Costanzo was really a report that we initiated. Why? Because we wanted to take some proactive measures. We went ahead and supported the PIDWA commissioner with everything that she could possibly require to help her in her reports.

I made a call and spoke to the Child and Youth Advocate in March 2018. At that time, she agreed to conduct an independent and impartial systemic review of transitional support services. From that time until now, she has completed her work, and I understand that she will have that report ready to table very shortly.

Ms. White: I thank the minister for that correction, but I would also like to see the Costanzo report that she has referenced repeatedly.

It has been over a year since the whole story around the government-run group homes unravelled. We saw the closure of Integrated Supports for Yukon Youth and the program was then transferred to Skookum Jim Friendship Centre. We have also asked about whether or not those files were available to follow the individuals.

As well, new policies around staff working alone in group homes was implemented through union pressures and a ruling from the Public Service Commissioner.

Mr. Speaker, what has changed for youth in the care of these group homes, and how is this minister measuring the successes of those changes?

Hon. Ms. Frost: We measure the outcomes by the supports and of course the realignment of case management, working with our families, and working on ensuring that the children who are aging out of our system are provided the support they require — that means looking at an expanded program. The Wann Road project does just that.

Our support with Skookum Jim Friendship Centre allows us then to work with our partners and our communities. Keep in mind that the independent supported youth program that was on 2nd Avenue was a pilot project from the previous government to address the concerns or perhaps the supports that were required. Out of that, we have learned a lot. We have expanded the scope of care, and we will continue to do that by aligning policies and services and ensuring that the youth who come into our care are either transitioned back home into their communities through an extended program — or if they are residing continuously within Health and Social Services, we will ensure that they have the supports that they require to be successful in transitioning into adulthood.

Ms. White: In response to the concerns raised a year ago with the government group homes, it was announced that the Yukon government was creating a new transitional group home on Wann Road in Porter Creek. This was to be a home for youth transitioning out of Family and Children's Services and into independent living. Over a million dollars was used to purchase the home and another million dollars to renovate the home, and to date it still hasn't opened. In the meantime, youth continue to age out of the system.

What transitional supports are currently being provided to youth over the age of 18 who are transitioning out of the system, and where are these programs being offered?

Hon. Ms. Frost: I would like to maybe talk a little bit about the demographics of the youth who are in care. We know that we talk about reconciliation; we talk about the reintegration of children back into their communities. A very few short years ago, we had in excess of 160 youth in care. We currently have 19 — ranging from 17 to 19 and 20. It fluctuates, but we have very few youth in group homes. We have 92 youth in our care currently through extended family care programs in their communities.

How do we transition them? We help and we work with our partners. We ensure that the supports are there. We work with the Yukon College to ensure that they are supported through capacity and capacity development.

We are working on the Wann Road project, effectively trying to provide a venue or an avenue for the youth to have a stable environment in which to transition out of a group home environment into independent living. We are very pleased about that and we will continue to work with our partners to ensure that all youth are supported and that we track the youth.

Perhaps that hasn't historically been the case, but what we're focusing on now is ensuring that transitioning youth into healthy independence is successful, that we will hold up in the future.

Question re: Government support for non-governmental organizations

Ms. McLeod: Yesterday, we found out from the *Yukon News* that the Liberals had conducted a review of the territory's NGOs over the last year. According to the department, it was because of this review that the Liberals froze funding to the territory's NGOs. However, when asked by media to release this information, the answer was a flat-out no. There is no reason for the secrecy, unless there is something to hide.

Will the minister agree to release the documentation from the NGO review?

Hon. Ms. Frost: I can't speak about all the NGOs, but I will speak about the 33 that are currently within Health and Social Services. Of those, we have two that are for-profit. We have worked and we will continue to work with each one of the NGOs to ensure that they have the supports that they require.

Whether we make this public or not, I don't believe that is going to be the case. We will work with all of our NGOs,

but in time, perhaps — I think right now, what we're looking for is ensuring that we provide additional supports for operational requirements within each one of these transfer payment agreements that we have with all our NGO groups — really pleased about that.

I think that significant participation and engagement with all the NGO groups is showing us that they are there working with us, and the review process is done to ensure that we assess efficiencies. We are a growing government. We are seeing the population rising. We are seeing different demographic groups coming into the communities. We are seeing changes within each one of these areas.

We are looking to find efficiencies with the NGO groups. That is driven by them, not by us as a government.

Ms. McLeod: This is bizarre and needlessly secretive behaviour by this Liberal government. The NGO review took place. The deputy minister of Health and Social Services told media that there is documentation, but apparently it is not public documentation. Yukoners have a right to see the documentation from this review, as it was used as an excuse to freeze NGO funding.

Why is the minister hiding this information?

Hon. Ms. Frost: No hiding behind anything — I think what I have said is that we are working with the NGOs. Now, the NGOs have received a cost of living adjustment for 2019-20 of two percent. We will continue to assess and apply the supports that are required under Health and Social Services — under those NGO groups that we have reviewed. There are many.

We did not take, as a government, a comprehensive review of all the NGO groups, but we really want to take this time to acknowledge that the majority of the NGOs are not-for-profit organizations that do exceptional work in our communities. I want to uphold them and give them the support that they require. That is done in good faith, with transparency, and of course in good collaboration.

The transfer payment agreements really reflect that, going out into future years — rather than having something status quo for the last 10 years, looking at better alignments on service delivery to better align with the people's needs and ensuring that we have direct input from the NGO groups as we look at future amendments on their transfer payment agreements. That is certainly something that we are open to.

Ms. McLeod: The minister has said that NGOs will be reviewed part of the comprehensive health review. Her department did a review of NGOs. Documentation from this review does exist. However, as reported by the *Yukon News*, this documentation will not even be provided to the expert panel conducting the health review.

What was the point of the NGO review if the information isn't even going to feed into the health review? How can a health review even be considered comprehensive if it doesn't consider the information from the NGO review?

Hon. Ms. Frost: We did our due diligence working with the NGO groups to determine who they are serving, what services they are providing, what their objectives are, and

what the outcomes are. This was to ensure that we are being good stewards of public resources.

Most NGOs are now on three-year funding agreements. In that time — I'm not suggesting in any way that they will stay status quo within that envelope — I think that there are always opportunities for improvements and we will continue to do that good work as we work with the independent expert panel. Then we will assess all of the services. We have set the release of that document most recently, which sets in place the themes and the priorities.

As part of the comprehensive review — certainly that will be considered. The panel's report will come out and I'm hoping that we can assess and look at efficiencies around programs and services and expand that to better align with all of Yukoners' needs. Why? Because we need to ensure that Yukoners have healthy, happy lives wherever they reside. That's the objective. The NGO groups stand across the Yukon.

Speaker: The time for Question Period has now elapsed.

We will now proceed to Orders of the Day.

ORDERS OF THE DAY

Hon. Ms. McPhee: I move that the Speaker do now leave the Chair and that the House resolve into Committee of the Whole.

Speaker: It has been moved by the Government House Leader that the Speaker do now leave the Chair and that the House resolve into Committee of the Whole.

Motion agreed to

Speaker leaves the Chair

COMMITTEE OF THE WHOLE

Chair (Mr. Hutton): Order, please. Committee of the Whole will now come to order.

Motion re appearance of witnesses

Committee of the Whole Motion No. 10

Hon. Mr. Pillai: Mr. Chair, I move:

THAT from 3:30 p.m. to 5:30 p.m. today on Thursday, April 18, 2019, Mike Pemberton, chair of the Yukon Development Corporation board of directors; Justin Ferbey, president and chief executive officer of the Yukon Development Corporation; Lesley Cabott, chair of the Yukon Energy Corporation board of directors; and Andrew Hall, president and chief executive officer of the Yukon Energy Corporation, appear as witnesses before Committee of the Whole to discuss matters related to the Yukon Development Corporation and the Yukon Energy Corporation.

Chair: It is moved by Mr. Pillai:

THAT from 3:30 p.m. to 5:30 p.m. on Thursday, April 18, 2019, Mike Pemberton, chair of the Yukon Development Corporation board of directors; Justin Ferbey, president and chief executive officer of the Yukon Development Corporation; Lesley Cabott, chair of the Yukon Energy

Corporation board of directors; and Andrew Hall, president and chief executive officer of the Yukon Energy Corporation, appear as witnesses before Committee of the Whole to discuss matters related to the Yukon Development Corporation and the Yukon Energy Corporation.

Committee of the Whole Motion No. 10 agreed to

The matter now before the Committee is Vote 10, Public Service Commission, in Bill No. 210, entitled *First Appropriation Act 2019-20*.

Do members wish to take a 10-minute recess?

All Hon. Members: Agreed.

Chair: Committee of the Whole will recess for 10 minutes.

Recess

Chair: Committee of the Whole will now come to order.

Bill No. 210: *First Appropriation Act 2019-20* — continued

Chair: The matter before the Committee is Vote 10, Public Service Commission, in Bill No. 210, entitled *First Appropriation Act 2019-20*.

Is there any general debate?

Public Service Commission

Hon. Mr. Mostyn: I appreciate the opportunity this afternoon to speak about the Public Service Commission budget for the 2019-20 fiscal year.

The Public Service Commission is a central agency department of Yukon government. It is responsible for a range of human resources-related programs and services. The Public Service Commission is an adequate description of the department, but I don't think it does the relatively small crew justice.

The Public Service Commission represents the pay and benefits folks. They are the planners, communicators, managers and troubleshooters of the government. They make sure that money for your food, rent, transport, communication and other needs and wants are deposited on time. They make sure that people are given time off. They ensure that the workplace is respectful and that the civil service is well-trained. They navigate the hardest human interactions you can have in the workplace.

If you are injured, they will work to find you a way to get back to work. If you have an addiction, they will try to find you help. They deal with mental health in the workplace and ensure that employees are properly looked after when someone falls ill or dies.

They recognize long-serving employees and make sure that they get the recognition that they deserve. They provide advice on pensions and benefits. They recruit for new positions across the country and have probably the busiest web portal in the Yukon, the Yukon job site.

They ensure that the civil service represents our society and vice versa. They lead negotiations with the territory's labour unions, and they ensure that settlements are fair to employees and managers alike. They do all of this and more, and they do it well.

Yukon is one of the nation's top 100 employers, and that does not happen by accident. The Public Service Commission's work is critical to that success.

Of course, not to be crass, but money is critical to the department's work, and that is what we are talking about this afternoon.

There are two themes to the Public Service Commission's budget: strategic and government-wide. This is because the majority of the Public Service Commission's requests relate to programs or services delivered on behalf of all of government. This is done with a whole-of-government approach in mind and with the aim of delivering existing services more efficiently and effectively.

The Public Service Commission is in the process of developing the capacity to work more effectively with the human resource community in departments as business partners on human resource matters. Human resource business partners work together to align organization-wide objectives with employees and management needs. They also serve as consultants to senior management and as employee champions and change agents.

These goals are consistent with the recommendations of the Yukon Financial Advisory Panel and support the enduring priorities of this government. Leading and supporting these strategic human resource partnerships is where the Public Service Commission is headed. You will have seen evidence of this in the human resource sustainability initiative. The first phase of this is now complete, with the Human Resource Service Centre division now established, effective April 1, on an ongoing basis.

The Public Service Commission continues its work on subsequent phases of the human resource sustainability initiative by piloting other initiatives that also assist in developing and supporting the value-added strategic human resources capacity of client departments and human resource business partners. You will also have observed the government-wide theme in the Public Service Commission's budget, not only in the employee future benefits and workers' compensation funds that the Public Service Commission administers on behalf of all departments, but in the Public Service Commission's provision of corporate support programs directed at promoting the health and safety of all Yukon government employees, as well as providing accommodation and support for employees with disabilities and supporting a respectful, healthy and well-functioning workplace by addressing disrespectful conduct and interpersonal conflict.

Some of the specific actions to be undertaken by the Public Service Commission in the 2019-20 budget include: implementation of the shared services model, which will, over time, assist in developing and support value-added strategic human resource capacity of all Yukon government

departments; a review of hiring, promotion and retention practices to ensure they are transparent and inclusive; implementing changes to the cost-sharing of extended health care benefits for new Yukon government retirees; and improvements to the integration and security of the Public Service Commission information systems.

I will now provide an overview of both the operation and maintenance and capital budgets for the Public Service Commission.

Mr. Chair, the Public Service Commission's overall estimated budget for the 2019-20 year is \$52,452,000. The overall budget is comprised mainly of the operation and maintenance budget, which is estimated at \$51.73 million. This O&M increase is an increase of \$3.378 million, or about seven percent, from the 2018-19 main estimates. It is needed to continue to carry out the strategic and government-wide initiatives that benefit all the Yukon government, contribute to a merit-based public service that is healthy and well-supported, and develop improved business efficiencies and effectiveness that directly support capacity development within the Yukon government's human resource community.

The increase is mainly due to \$1.47 million for the two funds administered on behalf of all Yukon government departments — that would be the Yukon workers' compensation fund and the employee future benefits fund — and a \$1.29-million increase reflecting funds and human resources transferred from Yukon government departments for the transition of the human resource shared-service model pilot project into an ongoing program: the Human Resource Shared Services branch.

The Employee Future Benefits budget is the largest line item in the Public Service Commission budget. This item totals \$26.895 million, or 52 percent of the Public Service Commission operation and maintenance budget. This represents an increase of \$957,000, or 3.7 percent, from the 2018-19 estimates for this program.

Employee future benefits are paid to employees when they leave the government or retire. The amount is determined by actuarial review — you've never had fun until you've met an actuary — and it takes into account a variety of factors such as accumulated service, wage rates and demographic factors such as the rate of retirement.

Retirement benefits are also affected by extended health care cost trends and the rate at which retired employees participate in the benefit plan. The slowed pace of growth for the employee future benefits fund for 2019-20 reflects implementation of a new cost-sharing arrangement for this component of the fund that went into effect for new retirees on January 1, 2019.

The other main component of the Public Service Commission budget is the \$1.466 million to establish the Human Resource Shared Services branch. This branch and two other existing branches — the Compensation and Classification branch and the Human Resource Management Systems branch — were restructured into the new Human Resource Service Centre division.

As a central agency, the Public Service Commission's role encompasses broad responsibilities that demand organizational leadership, innovative and strategic thinking and a whole-of-government approach. The government recognizes the strategic value of these new human resource projects and efficiency initiatives that support capacity development within the Yukon government's human resource community.

In order to achieve the strategic value and planned efficiencies, an upfront investment in additional human resources is needed. This is reflected in an increase of \$472,000 for four new full-time positions to support pay equity, health and safety, and respectful conduct in the public service. This increase is partially offset by a \$287,000 decrease in overall estimated Public Service Commission salaries due to adjustments in the personnel forecasting method across government.

This was implemented across government in response to the Yukon Financial Advisory Panel's recommendations. Beginning in 2019-20 and going onward, a standard set of criteria to develop personnel budgets was established and applied across government to promote organizational consistency in personnel budgeting.

With the exception of \$100,000 identified on a one-time basis for a review of hiring, promotion and retention practices, most other changes are small and reflect changes to salary costs for the current staff complement.

I will now turn to the Public Service Commission's capital vote. The capital budget is \$722,000. This is an increase of \$137,000 — or 23 percent from 2018-19. The capital budget allocation is project-specific and will differ from year to year, depending on projects that are being done.

Except for human resource systems development and related support costs supported through the IT government-wide envelope, the Public Service Commission's capital budget generally consists of funding to replace worn-out and obsolete equipment, as well as purchasing specialized adaptive equipment to assist employees with disabilities to better function in their workplace.

Most of the Public Service Commission's capital budget of \$505,000 — or 70 percent of that budget — is for the development and support of corporate human resource information systems. The remainder is for operational equipment upgrades, including the purchase of furniture and equipment related to office relocations that are part of an ongoing main administration building renovation project, new parts and equipment for the document destruction centre, and equipment to accommodate employees with disabilities.

The \$505,000 is integral to the department's functioning. We have to move this government from the 19th century paper-based model that we currently have been working in for so many years into something that is a lot more modern so that we have the proper information, data, and the tools we need to actually effectively manage many things within the government, including the people who work so hard for us.

With that, I want to thank you for this opportunity to speak about the Public Service Commission's programs and

the department's financial responsibilities. I am going to throw the floor open to some questions.

Ms. Hanson: I thank the minister for his overview of the Public Service Commission and the updating with respect to some of the implementation of some of the recommendations of the Financial Advisory Panel. I would be remiss if I didn't also welcome the officials here today. I am looking forward to the discussion with the minister this afternoon about the Public Service Commission because, as he knows, this is probably, in my mind, at the heart of the effective delivery of government services and programs on behalf of all Yukoners.

I want to start with a matter that we have touched on before. I want to — for the record — have an update. The minister and members opposite are familiar now with the tabling of the report by the commissioner responsible for the *Public Interest Disclosure of Wrongdoing Act* and the *Ombudsman Act* — the report that was tabled in this Legislature yesterday, made available to the Government of Yukon on April 10.

I am raising this particularly because the minister will recall many conversations that we had in this Assembly last year with respect to confusion that existed within the government side with respect to how to advise public servants about their rights and responsibilities under the whistleblowing legislation. The commissioner noted that communications "... about the procedures under PIDWA demonstrated confusion about the protections afforded to employees thereunder, including that a disclosure must follow the process set out in PIDWA. A failure to have proper disclosure procedures in place puts employees at risk who are courageous enough to bring a matter forward. Proper procedures ensure confidentiality and anonymity for the discloser, which is critically important for reprisal protection. Additionally, an employee who fails to follow proper procedure in reporting wrongdoing may not be afforded the protection..." of this important piece of legislation — and the commissioner said: "In my view, this is serious."

"Given the foregoing, the Department..." — in this case, we are also talking about government-wide — the Public Service Commission should work "... to develop disclosure procedures." The reason I am raising this is because — again, this is a document that was tabled here yesterday. The footnote to that point that I just made was that "At the writing of this Report, the Public Service Commission announced that it is preparing guidelines on disclosure procedures that a public entity could follow to ensure that its employees are protected by PIDWA and that disclosures made to the public entity by its employees are done in accordance with PIDWA."

Can the minister now confirm that all government departments and entities have in fact put in place guidelines on disclosure procedures to follow to ensure that employees are protected by this legislation and that disclosures made to the public entity by its employees are done in accordance with PIDWA?

Hon. Mr. Mostyn: I too want to express my apologies to my colleagues here, Pam and Kim, and welcome them to the floor today to help us with this process this afternoon.

The question related to the *Public Interest Disclosure of Wrongdoing Act* and the recent report by the PIDWA commissioner, which was received this week, and some questions that the member opposite brought forward last year when we were going through this process. As the member opposite knows, the *Public Interest Disclosure of Wrongdoing Act* is a mechanism for addressing serious wrongdoings that may be committed within a public entity covered by the act, and it affords specific reprisal protections to employees of those entities.

The act obligations of each public entity include the obligation to ensure wide communication to their employees about the act, including how to disclose a wrongdoing. Since we last met and discussed this, we have worked very hard to pull together guidelines that have been distributed to every single department and every single deputy. The Public Service Commissioner has met with deputies and has spoken about the *Public Interest Disclosure of Wrongdoing Act* and the guidelines. The guidelines were pulled together, I believe, in collaboration with the department. As I said, we have now presented, through the Public Service Commission, those guidelines to every department.

We have online training that is being developed. It will be available to employees in the next few months, and we have also met with the Public Interest Disclosure Commissioner in the drafting of the guidelines that we have brought before the departments. She was consulted and brought into the process to develop these guidelines. We have adopted many of the recommendations that she brought forward in our consultations.

I was very happy with her participation in this process. I recently met with her. We talked about the *Public Interest Disclosure of Wrongdoing Act* and the guidelines, and it was good. We had a great conversation in my office, and she did mention the review of the act that is scheduled to be happening next year. I assured her that we would be taking another look at the act next year, which is five years after it had been passed, and we are happy to do that review. We will, of course, be involving her in that review when it happens.

Ms. Hanson: I am pleased to hear from the minister that the recommendations — well, the implementation of procedures to ensure that employees are clear and ensure that the deputies for each of the departments are being held accountable for ensuring that, as changes occur in staffing, every employee is aware of the rights and responsibilities under this legislation.

As we talk about changes and employees — during the briefing, officials mentioned that one of the activities in the past year was a talent acquisition and retention performance audit. This was conducted by the audit branch of the Executive Council Office.

Basically, the question was about why they completed the audit, and the answer to that is: “As the Government of Yukon (YG) is expected to deliver on its priorities and objectives,

key talent positions need to be filled with the right people in order to achieve results.”

The minister and I have talked about the importance of ensuring that how the Government of Yukon acquires and retains staff — employees across the spectrum — the necessity of making sure that it is open, transparent, and inclusive to ensure a professional, merit-based public service.

The audit found that, at this point, it’s not possible to make a statement that in fact the talent, acquisition, and retention process within the Yukon government is open, transparent, and inclusive. They said that more needed data. They basically said, Mr. Chair, that there is no talent management strategy in place for the Yukon government.

I just want to point out a couple of things that I would like to have the minister comment on. One of the issues raised by the fact — and they noted this in their report — that recent key challenges within the Yukon government include turnover at the senior level, managers posted to “acting” at two or more levels above their regular positions — so an MG04 to an MG02 — and high impact or difficult-to-fill positions are vacant, which may indicate scarce resources and poor succession planning.

This is where it links to the fact that there is no evidence of a talent management strategy in place for the Yukon government. Without that, the audit says that Yukon government “... cannot know if it has the capacity to deliver on its priorities and commitments. Leadership skills are important, but the public service needs to have the right people at multiple levels to deliver services internally and to citizens. The best results depend on the capacity of all levels, not only capacity at the top of the organizational chart.”

This was an audit that was done for the fiscal year 2018-18. At that time, there was no documented talent management strategy for the Yukon government as a whole. There was a staff development strategy in 2015-18, which was written with a view to be doing something, but it doesn’t appear that was done.

The question I have for the minister is — if he could update what has changed and if in fact there is a talent management strategy in place for the Yukon government public service.

Hon. Mr. Mostyn: I will take a stab at this, this afternoon.

The Leader of the Third Party has asked me about shared services or talent management within the civil service. I can say that it is well underway. It is not complete, but it is underway.

In August 2018, as the member noted, a talent acquisition and retention performance audit was completed by the Yukon government’s Internal Audit Services branch. The audit focused on Yukon government’s human resource processes for acquiring and retaining senior-level, high-impact, and difficult-to-fill positions. The three recommendations in the audit report are being addressed in the strategic planning process for human resources this fiscal year 2019-20 and will include an improved approach to measuring and reporting on outcomes.

With the shared-services model, we have drawn together HR professionals to take some of the paperwork models into a central place and allow the human resource professionals in the department to take a more strategic approach in order to free up their time to be able to start to do the very necessary and important work of succession planning and basically filling those positions that need filling. There are, throughout government, positions that require some attention. We are shifting to a more strategic human resources process, such as how we develop and retain talent and the processes and linkages of our work with a view to better positioning the public service to more efficiently and effectively deliver good quality programs and services to Yukon citizens, now and into the future.

The Public Service Commission itself is changing. We are looking at the organization of the Public Service Commission to see how — it hasn't changed in a very long time. We are looking to see how we can take the various branches of the department and move them into a position where they better serve the client departments that we are endeavouring to serve. So that organizational design process is also well underway. It will help the department, the Public Service Commissioner and all of her senior leaders to better serve the civil service of the territory and provide some of that strategic support that they need to better train and prepare our line employees who are within the union and also our existing managers to take on the tasks in this highly fluid job market that we see today.

We are seeing a lot of retirement in the civil service now. We are seeing the babyboomer generation step into their much-deserved rest and blissful retirement — hopefully fruitful retirement — and we are seeing a whole new wave of young people come into the civil service with fresh ideas and a new way of doing business.

We are a bit betwixt and between right now, to be perfectly honest. We have the next generation coming in who are technologically savvy, who know how to wield their phones like musical instruments, and then you have the dinosaurs like ourselves, who are having a hard time managing the technology and are really paper-based. Our government is somewhat digital but with a lot of paper, and that is really inhibiting our ability to do our job well.

I would say that this has been a long time coming. There hasn't been a lot of investment in this — a lot of attention paid. The tools the government uses, from HR management tools to budgeting software that isn't department-specific — that actually goes across the entire government — to HR processes that are standard and ubiquitous across government to document management systems. They just do not exist and so we have new employees struggling to sort of juggle this strange format of paper while they use their phones, and we have the older people struggling to figure out how to use these new technologies. We really have to invest heavily, which is why I highlighted the \$500,000 investment this year.

There is a lot going on here, but the Public Service Commissioner and I have been talking about finding new ways and new tools and actually modernizing the civil service

so that we have the tools we need to extract the data to help fill these positions, to help provide the training and to better serve our clients, both within government and outside. That work is ongoing. It started awhile ago, but it is advanced through this budget.

Ms. Hanson: One of the things that the audit looked at was the starting salary of successful candidates — candidates who get through the process of being screened, interviewed and then ultimately hired. One of the things that concerns me — and I am interested in knowing the minister's views on this and what the Public Service Commission's views are and what they are planning to do. What they looked at was the salary range, and from the testing sample, the average starting salary for women was 38 percent and 69 percent for men. Essentially, guys who are getting hired are getting offered more money than women who are getting hired in the Yukon public service.

Given the information — and I will just quote from the audit: "Sixty-five percent (11/17) of women landed at or below 44% of the potential salary range for their position. Seven (41%) of these women started at 10% or less, including five (29%) at 0%, or the lowest possible salary. On the other hand, 10/13 (77%) of men landed above the midway point in the salary range for their position. Just 3/13 (23%) of male hires fell below the 50th percentile and no men were awarded a starting salary at 0% of the range."

I would believe that the minister would agree that, with the findings of the audit — given this information, we question whether this reflects a fair and merit-based hiring system for the talent group that is aligned with the spirit of the employment equity program.

The audit was clear. They said that their sample size does not support drawing statistical conclusions about group differences. The observed data from their sample should provide the Yukon government with reason to collect and analyze the data to establish if there is a gender bias and, if this is the case, to address it through various mechanisms, such as training or hiring process improvements.

Can the minister inform this House as to what work is being done to collect and analyze the data with respect to potential gender bias in hiring and particularly in starting salaries between men and women? What is being done to address the difference in order to eliminate any gender bias?

Hon. Mr. Mostyn: I really want to thank the Leader of the Third Party for bringing this question forward. I consider it to be a very important question and a very important issue.

As the Leader of the Third Party noted, it wasn't a statistically significant sample, but the conclusion that she is drawing from the information that she brought to the floor of the House today is, I'm sure, disturbing to her, and it is disturbing to me as well.

I think we have to acknowledge that there is a disparity in our society between the sexes — and perhaps the genders, if you want to widen it — and also between some groups in society. We must do a better job at closing that gap — eliminating that gap. There is no reason why a woman in Canada today should be making less for doing the same job as

a man, given the same education and same skill set. There is absolutely no reason; it's wrong.

We must, as a society and certainly as a government, do better on this front, and I am fully in agreement with the member opposite. I pledge to explore this subject and do better. We have to root out these things. I'm sure that there are legitimate examples of the disparity. So we will do better.

I was having a brief conversation with my colleague the Public Service Commissioner about this, and we have had this conversation in the last couple of weeks. Shockingly, we have very little capacity or capability to be able to analyze these trends within the Public Service Commission. We don't have the tools. This is exactly what I was talking about a few minutes ago. We have fallen behind. We haven't made the strategic investments that we need to get better HR data. We do not have a full picture of the metrics, and that really does hurt us in analyzing this data and rooting out the problems. But it is starting to change. I am making the investments and pushing to get the money to invest heavily in better digital systems and tools — giving our civil service the tools that they need to do the job they have to do so that this type of information pops to the surface and we can deal with it.

This year, we are spending \$100,000 for a review of hiring practices, identified. That has been identified in the budget. It is not a lot of money, but it is something and is our first step of this modernization and revitalization of the tools. It is not just the tools. The tools will help us to identify the disparity, but there has to be a will to act. I can assure the member opposite that I have the will to root out some of these problems and inequities within the civil service, both in terms of making sure that it is a more representative civil service and that the representative civil service has some equity in the way it pays its employees.

Ms. Hanson: I will then ask the minister: This audit was done in 2018-18 and it identified a number of issues. In this particular area, it is a clear area where there is a need for data and analyses. What I am looking for is — because when we get these budgets, we don't have any information, and in order to make an assessment of whether we're moving the yardsticks at all, will the minister be tabling — as part of his budget submissions or other reports — what is being done, as Minister responsible for the Public Service Commission, to ensure — this is just one example, and I will come to others in a moment — but one example with respect to ensuring a merit-based public service regardless of gender identification.

Hon. Mr. Mostyn: We really have a chicken-and-egg kind of problem here that I am really committed to cracking. The member opposite is asking for commitments and I have absolutely no problem at all providing information to the opposition parties and to the Yukon public about how we are doing. I think we have to start measuring the way we do business and developing realistic success measures and then working to get there. I have no problem releasing the information and being held to account to our progress. I think that is natural and I think this is part of accountability; I fully endorse that.

I have mentioned and said that the recommendations in the audit report are being addressed in a strategic planning process that we are going through. We are developing a plan to address the concerns raised in that audit. Part of the problem that I have is that right now at this very moment — and the plan will start to develop the metrics and the measurements we are going to need — but right now we don't have those. We haven't got them. That is shocking; it is where we are at. In 2019, this is where we're at. Do I think it's acceptable? No. Do I know how much it costs to fix it?

Yes, it's millions and millions of dollars to actually get the systems in place and the processes in place to do that. To get a document management system inside the Yukon government, it has been estimated — I've been told it's millions of dollars. We have to find that money to bring these processes in place.

The Public Service Commissioner and her team are working on a plan to try to get the data together so we can start to collect and measure the data properly. Currently, those tools are really feeble. We have to make them more robust. We are starting that process, and I will fully commit to providing as much information as I can on this matter to make sure that our civil service is representative and equitable. I think those are the goals, and I want to advance those goals and bring them forward. I want to have the information that the member desires so that she can actually see how we are doing. Right now, I don't want to say that we are flying completely blind, but we are certainly in a fog bank that we are trying to clear out.

We are going to do better. I want to address a lot of these issues. I think it's essential that this government, this territory and this society do so, and I will endeavour to work with the member opposite to make that happen.

Ms. Hanson: It's really not about me; it's about the public service. It's not whether I am satisfied with the information. We are talking about ensuring that we have a merit-based public service in the territory so that both the employees and the ministers opposite can assure Yukon citizens that services are being delivered by public servants who are acknowledged for their professional capability and are being recognized in every aspect of that.

One of the questions that I have asked this minister since he has become minister — and previous ministers as well — was the process with respect to — in the management cadre — performance pay. I know it's called many things in many jurisdictions. The Yukon government says the “performance development plan”, and within that “performance development plan”, there is a process with the Public Service Commission — and this is again from the audit. The Public Service Commission provides a “... process flow chart along with general guidelines, and calculates departmental averages and distribution for performance awards.”

The thing that I found interesting in the audit — I am very interested in seeing the minister's response in terms of how he intends to remedy this. The internal audit “... examined all PDP data by performance level and by classification level, and found that there is an apparent link

between job classification and PDP award...” So the higher you are, the more you get as performance pay, and “... overall, the higher the MG level, the higher an individual is recognized to be performing.”

The audit goes on to say: “There is no explanation aligned with the PDP’s stated objectives, or the Section M documentation governing MG-level employees, that would account for the fact that higher-level managers receive higher percentage performance awards than lower-level managers do.”

This throws into question whether the performance development plan is strictly a merit-based award. I am reading this from the audit; I am not making this up. “As a system of recognition is made to encourage a high-performing public service, we would expect an even distribution of award levels independent of classification level, as well as consistency from year to year. Salary ranges for each classification level are already in place to account for differences in the level of responsibility and nature of work duties — classification should not affect performance pay.”

Does the minister agree with that?

Hon. Mr. Mostyn: The Leader of the Third Party has asked me whether or not higher ranking — if I understand the question correctly — or more senior civil servants should be getting a higher pay raise.

Some Hon. Member: (Inaudible)

Hon. Mr. Mostyn: Performance pay — yes. That is a tricky question. What happens with performance pay within the civil service? The Public Service Commission has guidelines that they have laid out for the deputy ministers. The deputy ministers come together and review, as a group, awards, and the deputies within the departments manage the departments with their senior management and hand out that performance pay. It comes down to management, doesn’t it?

We have a professional civil service that is trained and is asked to manage the staff in a way that is — as I have said here, I want it to be fair and equitable. That is the direction that I give.

There are guidelines in place to manage the performance awards, and we expect the managers who are paid to manage the departments to manage that equitably and fairly. Do they hit the mark 100 percent of the time? I don’t know. You have information that says maybe things are skewed. I haven’t seen that.

We are working on plans to more closely link performance pay to results and accountability. We are working on that within the government, within senior management. My ministerial colleagues and I are working on that as well. We have had these discussions and we will continue to do that, but that’s really where we have to go. The performance pay should reflect performance, and we have to trust that the civil service — the professionals who we have managing the departments — does so in a way that is fair and equitable to the employees they are managing.

Ms. Hanson: I absolutely agree with the minister. We need to have a fair and equitable approach to this. It’s true that the audit does point out, as I said, that the Public Service

Commission does provide those guidelines, but the fact of the matter is that the audit showed that the management category with the most employees rated as outstanding — i.e. getting a six- to eight-percent bonus — in their work was the MG01 category. Almost half — 48 percent of eligible MG01s received an outstanding contribution in one year, and only one MG06 received an outstanding reward. Over the following three years, no MG06 employees were deemed to be performing at the top level.

There are questions around how they — there’s an arbitrary nature to how this is swinging. You have a common assessment process — who is doing it?

I ask this question because I have seen different methods employed, and I’m curious as to what method is employed to ensure that there’s a common form of assessment of performance so that you are again ensuring a merit-based approach — that it’s not — and it has happened in other public services where this has been the subject of a significant amount of review, because you can cause real dysfunction when you start getting into what some people call the “star chamber” — what has been described as the star chamber in other sectors — in terms of the determining behind — very strange ways — who gets these merit awards.

So unless and until we can say to all public servants within the public service — and particularly those who are eligible for performance pay recognition — that there is an objective criteria and standard — that’s what I’m looking for from the minister. I hear that he says that should be the way. What I’m looking for is, if it’s not there now, then what is being done to ensure that it will be?

Hon. Mr. Mostyn: This has been a great conversation with the Leader of the Third Party this afternoon, and I can assure her that this Cabinet is working to raise the bar on accountability and oversight of the senior management of the civil service. We have guidelines in place, as I have said. The Public Service Commission has guidelines that they have shared with deputies. The Cabinet itself has discussed performance with the deputy ministers. The deputy ministers come together and oversee the disbursement of the performance pay and the deputies themselves oversee the disbursement of pay.

The member opposite has brought forward some shortcomings that she has identified. I am going to review the years that those are done, but I can assure her that we are working to increase accountability of the senior level. We have personal development plans that are done. They all have to be done by the departments. We actually tie that into those plans being done. There are measures that we are taking to ensure that the senior management of the civil service is disbursing the performance pay fairly.

I would like to take a second to thank my officials, Pam and Kim, for coming in and helping us this afternoon.

With that, Mr. Chair, seeing the time, I move that you report progress.

Chair: It has been moved by Mr. Mostyn that the Chair report progress.

Motion agreed to

Chair: Pursuant to Committee of the Whole Motion No. 10 adopted earlier today, Committee of the Whole will receive witnesses from the Yukon Development Corporation and the Yukon Energy Corporation.

In order to allow the witnesses to take their places in the Chamber, the Committee will now recess and reconvene at 3:30 p.m.

Recess

Deputy Chair (Mr. Adel): Committee of the Whole will now come to order.

Appearance of witnesses

Deputy Chair: Pursuant to Committee of the Whole Motion No. 10 adopted this day, Committee of the Whole will now receive witnesses from the Yukon Development Corporation and the Yukon Energy Corporation.

I would ask all members to refer their remarks through the Chair when addressing the witnesses. I would also ask the witnesses to refer their answers through the Chair when they are responding to members of the Committee.

Mr. Pillai, I believe you will introduce the witnesses.

Witnesses introduced

Hon. Mr. Pillai: Mr. Deputy Chair, before I start, I will just ask your indulgence. I would like to recognize a former Member of the Legislative Assembly as well as Commissioner — and every day, his words echo in my mind from when I signed on to this job. He said, “This is the best day. It goes downhill from here.”

On the tough days, I definitely think about that. Thank you for coming into today, Mr. Doug Phillips.

I also would like to take the opportunity to just mention a couple of other people who are in the gallery as well with an interest in our topics today: Mr. Hector Campbell is here, the former senior leader within the Yukon Energy Corporation; as well, Mr. Michael Brandt, who is a current member of that team. Stephanie — I apologize that I don’t know your last name — but she also is someone who has just come over with a great amount of experience from her time at, I believe, ATCO Electric, and now has taken on that important role of being part of our communications team and she has already made a very positive impact.

Before I start, I am just going to make a couple of comments quickly about some new individuals who are here and then I will get into the formal introductions. We are feeling very lucky. This is an immense task. There is great interest and we will hear lots of great questions from both the Official Opposition and the Third Party today.

We are at a critical time to make a number of investments and to ensure that the investments that have been made are looked after. I feel very comfortable with the fact that we now have the same leadership at the senior public servant level, but two new leaders that are here with us.

They are, of course, Mr. Pemberton, who has a great extensive background in business who is bringing that acumen to the table and great relationships across the Yukon in the role as chair of Yukon Development Corporation, and Ms. Lesley Cabott — from an extremely strong technical background, who has advised other energy corporations across the north — primarily Northwest Territories — and who is part of many dynamic studies and engineering work that is being done across the north, from her leadership role in planning organizations here in western Canada, nationally, as well as her work at the municipal level — so really a strong understanding of all of the pieces that have to come into play and all of the impacts that we’re understanding. I want to thank both of them for taking those roles on. We are in a great spot.

With that being said, the witnesses appearing before Committee of the Whole today are Mike Pemberton, chair of the Yukon Development Corporation board of directors; Justin Ferbey, president and chief executive officer of the Yukon Development Corporation, Lesley Cabott; chair of the Yukon Energy Corporation board of directors; and Andrew Hall, president and chief executive officer of the Yukon Energy Corporation.

Chair: Would the witnesses like to make opening remarks?

Mr. Pemberton: It is my pleasure to appear this afternoon representing the Yukon Development Corporation. I will be brief so as to ensure as much time as possible for discussion.

As the sole shareholder of Yukon Energy Corporation, Yukon Development Corporation is committed to ensuring that YEC supports government objectives while fulfilling its operating responsibilities. We are continuing to work with our subsidiary to improve accountability and corporate governance. The recent completion of a financial review of Yukon Energy is an important step in that direction.

As the minister indicated, we continue to encourage the development of renewable energy generation projects in Yukon communities through the innovative renewable energy initiative. Yukon Development Corporation is supporting First Nations, communities, and private sector organizations to reduce Yukon’s reliance on fossil fuels to generate electricity and heat. A solar project for Old Crow, a wind project for Burwash Landing and Destruction Bay, and a biomass district heating system for Teslin are just a few of the initiatives Yukon Development Corporation has supported.

The corporation also looks forward to helping Yukon communities leverage federal funds such as the Arctic energy fund to bring the renewable energy vision to life.

By supporting innovative energy management projects such as the residential demand response pilot program, Yukon Development Corporation is also contributing to efforts to improve the efficiency of Yukon’s electrical grid. Through this initiative, individual Yukon households will be able to play a role in reducing Yukon’s peak electricity demand, which will reduce the need for fossil fuel generation and, in turn, reduce greenhouse gas emissions.

Additionally, Yukon Development Corporation continues to research alternatives for large-scale renewable energy generation and storage that will provide a clean, reliable energy base to support Yukon's long-term growth.

We will continue to work with a number of Government of Yukon departments to ensure that the corporation's activities align with government objectives and priorities. Mr. Deputy Chair, I thank you for the opportunity to appear before you today.

Ms. Cabott will now provide you with an update of Yukon Energy Corporation's activities.

Ms. Cabott: Thank you, Mr. Deputy Chair, and thank you, Mr. Pemberton. Thank you for providing an opportunity for Yukon Energy and the Yukon Development Corporation to appear before Committee of the Whole.

Today I will speak about how Yukon Energy is supporting this government's goals of increasing the availability of renewable energy, reducing reliance on non-renewable sources, and lessening energy consumption in the Yukon. I will also speak about what is necessary for Yukon Energy to continue to support growth and prosperity in the territory into the future.

I am pleased to say that, since the last time I appeared before this Committee almost exactly a year ago today, Yukon Energy has made considerable progress in maximizing the value of our existing generation facilities and building and integrating renewables into the Yukon electrical grid.

Earlier this year, Yukon Energy, together with ATCO Electric Yukon, Yukon Development Corporation, and the Yukon government, fully launched the standing-offer program of the independent power production policy. This accomplishment now clears the way for new sources of renewable electricity and investment, primarily in the form of First Nation ownership, to participate in Yukon's utility sector. This milestone was the culmination of several years of hard work and collaboration between government and the utility sector.

I would like to recognize Andrew Hall and Michael Brandt from Yukon Energy, Geoff Woodhouse from Yukon Development Corporation, Shane Andre and Ryan Hennessey from the Yukon government, and Jay Massie and Doug Tenney from ATCO Electric Yukon on this significant achievement.

Yukon Energy has also made progress on a number of other projects, including applying for federal funding for a grid-scale battery storage system to help with managing our load, particularly during our peaks.

This includes the preliminary planning work on the development of new mid-scale hydro facilities commencing work to increase the output of our existing Whitehorse 2 and 4 hydro facilities and installing a third LNG engine at our generation facility in Whitehorse to better equip us to meet peak demands for electricity.

We also continue to develop and pursue energy conservation programs such as, as Mr. Pemberton mentioned, the residential demand response pilot program that was announced last week. We believe that electrical utility

providers like ourselves have a key role to play in the delivery of demand-side management programs to electricity customers and the public.

Subject to the approval of our regulator, the Yukon Utilities Board, we will continue to pursue demand-side management projects that address our capacity needs and we will work with the Yukon government to deliver these programs. As I reflect on where we are today and look ahead to what is required to electrify the Yukon's long-term prosperity, I believe strongly that indigenous partnerships and new renewable generation are the cornerstones of our future — this, along with the additional thermal that we need as our insurance policy because we are an isolated grid.

By 2030, Yukon Energy Corporation aims to be a Canadian leader in clean, renewable energy again. We have traditionally been at around 98-percent renewable generation. We have, however, dropped in the last couple of years to 94 percent, mainly because of low water levels in our Mayo and Aishihik systems. With our low snow load this year, we may see this number even lower. This is why we have, and need to have, our thermal backup and why demand-side management is so important.

Last year, I advised this Committee that our board was going to work on a strategic plan. I will now share some of those results with you.

Mr. Deputy Chair, we envision a robust and affordable energy system that is based on renewable sources, is abundant enough to support Yukon's growth and prosperity, and is reliable enough to keep the lights on in minus 40 degrees during the winter, even if a major generator or transmission line fails — an energy system that is forged through respectful, mutually beneficial and truly collaborative partnerships with First Nations and, as well, with the Yukon and federal governments.

To achieve this vision, the Yukon Energy Corporation Board of Directors has set six strategic priorities over the next five years. The first is to generate reliable and renewable energy. We will plan and build a 10-year portfolio of projects to meet Yukon's energy and capacity needs and work with IPPs to bring new sources of renewable electricity onto the grid.

The second is to secure long-term sustainable financing. We will work with our shareholder, Yukon Development Corporation, to facilitate access to flexible financing in the future and develop models and options for First Nation investment in energy projects.

The third is to develop mutually beneficial First Nation partnerships. We will strengthen relationships and develop a framework of partnership options with First Nations.

The fourth is to achieve excellence in employee engagement. We will inspire the corporation with a goal of zero lost-time incidents each year and develop strategies to attract and retain leaders in our industry.

The fifth is to streamline and clarify governance. We will work with the Yukon Development Corporation to rationalize processes between our organizations and support mutual solution building.

The sixth is to provide outstanding, reliable customer value. We will examine options to streamline operations and collaborate with Yukon government on the delivery of energy-efficient programs and value-added services to Yukon homes and businesses.

As I stated earlier, Yukon Energy Corporation is positioned to be an industry leader, and we are making progress, but we need your continued support to achieve our vision and to help drive growth and prosperity in the territory.

I will stop there for now, Mr. Deputy Chair.

Mr. Istchenko: I do want to thank the witnesses who are appearing here today. I also want to thank those in the gallery who came to listen to this. I might note that we are overrun with previous Commissioners here today, and I think we can get by with them all being here today.

I will start with my first question: According to the April 16, 2019 press release, water was used to generate 94 percent of electricity — six from LNG and diesel. With minimal rain and snowpack — which we heard about during the witnesses' opening remarks — this means that more of our power has to come from alternative sources. With no new renewable energy projects, what does YEC see as the next big project for power generation?

Mr. Hall: In terms of the portfolio of projects that we are working on going forward — they include both renewable options, as Ms. Cabott suggested, and thermal. I will just give an overview of what they are.

As Ms. Cabott suggested, with the standing-offer program of the independent power producers policy, we expect that — or we would hope that — a number of proponents will come forward over the next few years to meet the initial allocation of 20 gigawatt hours of renewable energy through that program.

Secondly, we are looking at maximizing our existing fleet of hydro units so that is what is technically referred to as operating of our Whitehorse 2 and 4 turbines, in particular focusing on getting extra capacity out of those units during cold weather.

Thirdly, we certainly intend or hope to remain in the demand-side management game. That will be subject to final approval by our regulator, but we are quite excited by the prospect of additional energy-efficiency programs specifically targeted again at addressing that capacity need that we have during very cold weather.

As Ms. Cabott mentioned, we have kicked off planning work on what I would call a mid-scale hydro facility. There are a number of options that were identified in our 2016 resource plan. Obviously those will take some time to develop, given the environmental and technical work that is required and working with First Nations on the business model for moving those forward. Those would add in the range of six to eight megawatts each. There are a couple of sites that we are looking at right now.

Finally, again to address capacity, there is the idea of a grid-scale battery — so an eight-megawatt battery offering 20 megawatt hours of energy. We have submitted a federal funding application for that, given that funding really is

required to bring the economics of battery storage in line with our thermal alternatives.

So that is a summary of the renewable part of the portfolio that we are working on at this time.

Mr. Istchenko: The witness's microphone is not working. I have good hearing, but some might not.

My next question is — just sticking with this — for backup power generation and generators that we need basically to subsidize the grid — can I just get a bit of a breakdown, I guess, on the difference, cost-wise and energy-efficiency-wise, between LNG and diesel fuel?

Mr. Hall: In terms of cost — so we look at variable-cost fuel. In 2018, the variable cost of LNG fuel was 15 cents a kilowatt hour, and diesel was 28 cents a kilowatt hour — so it's about a 35-percent cost advantage for LNG.

Mr. Istchenko: On April 3, the minister indicated that an application had been submitted to the Natural Sciences and Engineering Research Council of Canada, or NSERC, for a battery storage project, which was brought up earlier. Can the witness provide a bit more detail on this proposal? How much are we asking for? What is the actual project?

Mr. Hall: The application is for a staged implementation of grid-scale battery storage, so we're looking at a first phase of — as I said earlier — eight megawatts of output and 20 megawatt hours of storage. The second phase would be the same amount of energy again — so another 20 megawatt hours — but at some point in the future.

The total project cost of \$19 million and requested funding of \$10 million was the request. Just to clarify, that was submitted to the clean energy for rural and remote communities stream of the NRCan federal funding bucket.

In terms of location — we have not yet determined the location of where that battery would exist. It's most likely in the Whitehorse area, given this is our load centre, but final location is not determined.

Just in terms of the benefits that such a grid-scale battery would bring, the primary benefit is around meeting peak demand during very cold weather — so that's the morning and evening peak on our load curve — but we certainly identify a number of additional operational advantages in terms of assisting with frequency control in the integration of intermittent renewable sources in the future.

It also allows us to make full utilization of our hydro capacity by eliminating what is called "spinning reserve", which is the amount we hold back on our hydro generators in anticipation of system upsets. It would also allow for very fast restoration. Batteries can ramp up to full output in a matter of milliseconds — so the ability to restore after outages should certainly be enhanced, which ultimately is a customer benefit in terms of reduced outage time.

Finally, load rejection, which is a technical term, but it basically allows us to maintain grid stability if we lose a large customer — for example, if a mine trips off, we can keep the system together without having outages in any part of the system. So we are highly optimistic about not only the operational benefits, but the benefits in terms of greenhouse gas mitigation that a battery would bring.

Mr. Istchenko: When do we expect to hear back on that proposal?

Mr. Hall: A very good question. We're not certain — hopefully over the next few months.

Mr. Istchenko: My next question: Did the Yukon Energy Corporation or the Yukon Development Corporation participate in any conversations or attend any meetings this year to discuss the possibility of selling off assets to First Nation development corporations or to their trusts?

Mr. Ferbey: We have not attended meetings; however, I do know there has been interest over the years of particular First Nations talking about the agreements and the ability to make an equity investment in the corporation. However, we haven't had any formal discussions to progress those inquiries at this point.

Mr. Istchenko: Have there been any discussions with anyone else about the potential of selling YEC assets or a share in those assets or a share in the company?

Mr. Ferbey: No — as far as I am aware, there have been no discussions about any sale of assets or any sale of shares of the Yukon Energy Corporation at this point.

Mr. Istchenko: With respect to the power agreement between the corporation and Kwanlin Dün First Nation development corporation for the LNG plant, what has the rate of return been per year? How much has Kwanlin Dün First Nation received as a result of this agreement?

Mr. Ferbey: The rate of return is a blended mix of the rate of return from YEC with the interest rate — I will have to get the exact number, but I would say that it is around five or six percent. The money that they have received over the course of that period of time — I will also have to get the exact amounts.

Mr. Istchenko: I look forward to receiving that information.

There is \$1.5 million in this year's budget for the innovative renewable energy initiative — no change, of course, from last year. So how many projects were funded last year, and how many to this date?

Mr. Ferbey: 2018-19 was the full implementation of the program. I will go through the investments that were made. In Burwash Landing, there is a wind project. We provided \$58,000 to the Klwane Community Development Corporation. For Carcross wind, we provided \$125,000 to the Carcross Tagish Management Corporation to install wind monitors on Montana Mountain. Teslin and Old Crow had LED lights — \$47,000 provided to the Village of Teslin and \$7,000 to the community of Old Crow. For Teslin biomass in 2018-19 — \$314,000 was provided for the implementation of their biomass district heating system. For Whitehorse, in 2018-19, \$162,000 was distributed to Chu Niiqwan Development Corporation to assist with the feasibility of the Haeckel farm. An additional \$205,000 provided in 2019-20 has been committed for the third year of funding for the wind project.

Other key investments were for Dawson City hydro — \$80,000 in 2018-19 for ORO Enterprises for feasibility work on a microhydro. In Old Crow, \$500,000 in 2018-19 was

provided to the Vuntut Gwitchin First Nation for construction of the work of their solar project. In Whitehorse, as recently announced, for demand-side management in 2018-19, \$35,000 was committed to the Yukon Energy Corporation for the residential demand response project. Finally, in 2018-19, \$85,000 was for a pilot project for solar crosswalks.

Deputy Chair's statement

Deputy Chair: I love looking at all of your smiling faces, but could you just sort of indicate who is going to answer the question by a nod or whatever? It just makes it easier for me to recognize you. Thank you very much.

Mr. Istchenko: I understand that the initiative was fully subscribed last year. It sounds like it was, anyway.

I guess my next question on this is: How many projects are anticipated for this year? This is a four-year initiative, so depending on its success, is the corporation willing to look at extending this initiative or making it a permanent yearly initiative?

Mr. Ferbey: The subscription has been subscribed for this year. What we are finding is that there is a lot of success in the program. A number of the projects that I mentioned were not fully implemented. They were in the first year, for early planning. Right now, we are going through an assessment to determine the level of support for each of the projects given the fact that, now that the word is out, more proponents are coming forward. What we have done in all of these programs is provided a program review. This is a four-year program. It's anticipated that we would also have an assessment at the end of that period for the government's determination if they would extend the program or not.

Mr. Istchenko: Next question: How much money in total was spent on the most recent examination of whether to connect to the BC grid?

Mr. Ferbey: There have been some technical studies that were commissioned to look at the BC grid. There were two studies that were completed by Midgard. The approximate cost of the two studies was \$150,000.

Mr. Istchenko: Last year, the government had been putting the finishing touches on a proposal to send to the federal government for connecting to the BC grid. What happened to that proposal? How much did it cost to develop the proposal? How much money were we planning on asking for? What was the money then going to be used for?

Mr. Ferbey: The two feasibility studies were early-stage tabletop studies to determine the feasibility of the project. We did not approach the government for any formal funding. What we did was complete these studies and assess the viability of the project. We looked at a connection to Watson Lake as one phase and connecting to the BC grid for another phase, but we didn't seek any federal funding for the due diligence. This was funded through YEC's budget.

Mr. Istchenko: With respect to energy storage: In April of last year, Yukon Energy Corporation was in the process of submitting an application to Natural Resources Canada for the Clean Energy for Rural and Remote

Communities fund. I believe they touched on this a little bit, but can the witnesses confirm the status of this application and the work that is being done?

Mr. Hall: The application has been submitted and we are waiting for a response from the federal government.

Mr. Istchenko: Next question: What is the status of the Stewart-Keno transmission line project?

Mr. Hall: The funding application for that project recently was submitted to a bilateral fund under Infrastructure Canada. We have received questions which we are working through, but we are optimistic that those questions will be resolved promptly and we will receive a response from the feds on that funding.

Mr. Istchenko: With respect to Victoria Gold power usage: Can the witnesses explain the arrangement with Victoria Gold and whether anything has changed with regard to that?

Mr. Hall: As the member opposite may be aware, we had a power-purchase agreement before the Yukon Utilities Board that was approved. There have been no material changes to that at all. We are currently working with them on the technical connection of the mine to our system. The construction of the McQuesten substation is complete and that substation has been energized, so we are feeding the Keno community through that new substation, which was paid for by Victoria Gold. It will be transferred to Yukon Energy Corporation at the appropriate time when the commercial triggers have been reached.

We are working on the system improvements, which were again funded by Victoria Gold. These are improvements to the system protection — to protect the grid in the event that the mine trips off, for example. That work is proceeding and will be complete mid-May, we expect.

In terms of the final connection of the mine and initiating of the continuous power supply, I don't have a definitive date. It will be in May sometime. That is our current understanding.

Mr. Istchenko: The witness did speak about the McQuesten substation. With the new generation assets being added to the grid to pick up Victoria Gold, this is one of the things that Victoria Gold will pay for. Was there anything else that was a cost that needed to be paid for by Victoria Gold, or would that be passed on to all of our customer classes?

Mr. Hall: In terms of the McQuesten substation, the majority of those costs were covered by Victoria Gold. There is a portion of the costs — about \$1 million — that Yukon Energy Corporation will contribute. Those are costs related to the construction of the substation to 138-kV capability. The mine itself only needs 69-kV capability, but our position was that we wanted that substation to be capable of supporting further load growth in that area, so we're building for the long term with 138-kV capability in mind.

Other than that, in terms of Yukon Energy Corporation's contributions, no — I mean, it will depend on the funding situation for the Stewart-Keno transmission line, but that was submitted at a 75/25-percent funding split between the federal government, with the balance being put into rates by Yukon Energy Corporation.

Mr. Istchenko: I do thank the witness for that answer.

If they have to burn more diesel or LNG to handle load from Victoria Gold, will costs be handled by Victoria Gold, or will it be passed on to all customers?

Mr. Hall: The rate-impact analysis that we presented as part of our application package to the YUB for the approval of the power-purchase agreement showed that, if anything, there would be a slight rate decrease for all customers in the Yukon. The principal reason for that is that Victoria Gold is a summer load. They do most of their mining and processing during the summer when we have surplus hydro available, so it allows us to utilize that surplus hydro and there is a financial benefit from that, so rate impacts are flat or slightly beneficial.

Mr. Istchenko: I want to speak a little bit about the Aishihik dam next here. Can I get an update on the status of the agreement between Champagne and Aishihik and the Yukon Energy Corporation around the Aishihik dam?

Mr. Hall: If members recall, we have been working over the last three years on what is called a "co-management agreement" between ourselves and the Champagne and Aishihik First Nations. The intent of that was to complete the technical and socio-economic studies around the relicensing project and the attempt of reaching an agreement on the basis for a new licence application.

In the fall of last year, we did go forward with preparation of a submission for YESAB, which was submitted in February. We have had a bit of a hiatus in terms of working with the First Nations in the fall, but with the help of our chair and the chief, we have a re-engagement underway and are actively engaging with them now.

The Yukon government also has a bilateral engagement with the First Nation and weigh its presence as well, but we're now working on the details of some of the particulars of our water licence application — for example, what's called the monitoring and adaptive management plan, which is for the downstream section of that system. That's again a collaborative effort between us and Champagne and Aishihik First Nations.

The other piece that we're engaging with the First Nations on relates to compensation that will be paid as part of the water licence process for approval by the Water Board.

Mr. Istchenko: The witness did mention bilateral conversations with the Yukon government. Who sits at the table from the Yukon government?

Mr. Ferbey: We understand that there are government-to-government discussions with the Champagne and Aishihik First Nations through Aboriginal Relations.

Mr. Istchenko: For timelines, basically, just a broad status of the water licence renewal — I'm just wondering how it's going and if everything is on track — the status of it.

Mr. Hall: Our current water licence expires on December 31 of this year, so the timeline is extremely tight to progress through both YESAB and the Water Board. We have had active dialogue with both bodies in terms of monitoring the progress through the regulatory process — so monitoring things as they go.

I will make one further clarification: The application that was submitted was for a three-year licence. There were a number of reasons why we changed the approach to focus on the three-year licence. The feeling at the time was that it should be an easier licence concept to progress through the regulatory channels and also provided additional time to have further negotiations with the First Nations on particular topics. So it was a bit of a change that happened earlier this year and led to the submission of a three-year application.

So a tight timeline, but we are working diligently toward that.

Mr. Istchenko: What was the previous licence? Was it a 20-year licence?

Mr. Hall: It was a 17-year licence.

Mr. Istchenko: I want to speak about the Southern Lakes enhancement project. On April 3, the minister mentioned there was a final consultation being looked at. Could the witness provide us with an update on that consultation, or has it taken place? If not, when is it planned? What is the cost of that consultation?

Ms. Cabott: I'll respond to that. The Southern Lakes project has been a project that has been before our board for consideration. Mr. Deputy Chair, we have a relatively new board, and we felt that we needed additional information — we needed to do our due diligence — hence the additional consultation with community members, Yukoners, and First Nations. The board has asked for that work. It is our understanding that the Energy Corporation — Andrew and his team — have requested proposals and will be awarding a contract shortly in order to re-engage. The board would like a report back to us in the fall to help us make some decisions.

Mr. Istchenko: Is there an estimated cost of that consultation?

Mr. Hall: As Ms. Cabott mentioned, it is still out — gathering proposals from potential vendors — so we don't have a cost estimate at this time.

Mr. Istchenko: Right now, does the Yukon Energy Corporation have support from the affected First Nations for this project?

Mr. Hall: When we completed a prior round of engagement, we do have supports in the form of a letter from the Carcross/Tagish Land Management Board. We will, as Ms. Cabott mentioned — one of the purposes of this re-engagement is to go back and just validate that support and also complete our work with the other two affected First Nations: namely Kwanlin Dün and Ta'an Kwäch'än Council.

Mr. Istchenko: If the government goes forward with this project, there is the question of compensation for those living around the shoreline. Has there been any estimate done of what that total cost of compensation for residents along the Southern Lakes would be?

Mr. Hall: I believe the term "compensation" perhaps refers to investments that we would make in, for example, shoreline protection in areas where there would be expected increased erosion. Likewise, for property owners who may experience increased levels of groundwater, there would be investments made to protect their dwellings and property from

that. I don't have an updated number in terms of what that estimate is, but it would be included in the project cost that would ultimately be approved by the Yukon Utilities Board, as a Yukon Energy project, should we go forward.

Hon. Mr. Pillai: I would also like to add to this conversation about the Southern Lakes, being that it is a long-standing project that has been worked on by Yukon Energy Corporation — extensive funds have been spent on the project. I know that Mr. Hall may touch on this, but there was a period of time where the costs associated with the Southern Lakes project were brought to rates. Looking to close out the file at that particular time, the Utilities Board had requested that the Yukon Energy Corporation go back and do further consultations. I think it is important to note that.

I think it is also important to note — I know that the member opposite, who is asking questions today as a critic, has brought this to this House during Question Period on a number of occasions — in sort of a supportive manner for the Southern Lakes project, asking why we haven't begun the project. Of course, there was the letter of support first from the Carcross/Tagish Land Management Board and then some discussions with their lands committee. I appreciate today that we do have an opportunity to explain to the member opposite that we think there also have to be more thorough conversations, not just with those one or two documents saying that we should begin the project.

We understand the sensitivity of the project. The staff at YEC and YDC have done a great job of briefing me on some of the studies that have been done to date. We have taken into consideration some of the historical impacts to the Southern Lakes, especially through the Marsh Lake area — not because of the infrastructure that is in place, but because of different climate issues that have occurred — of course we all remember the significant flooding. So there is very strong sensitivity in that area, as well as taking into consideration that there are assertion areas for transboundary First Nations within some of these areas. We are really trying to balance all of those conversations while still being respectful of the requests of the Yukon Utilities Board to take this into consideration. It is very complex, but we have the right team here taking on this work.

Mr. Istchenko: I thank the minister for that.

Regarding the Mayo Lake storage enhancement project, it was mentioned by the minister also on April 3 that "... Yukon Energy Corporation is planning to proceed with detailed design and planning in 2019."

Can the witness update us on the status of this project?

Mr. Hall: In 2018, we completed a preliminary engineering exercise specifically to look at the required dredging of the outlet channel of Mayo Lake. Over the life of that lake since the 1950s, that channel has had sediments build up to the point that it needs to be dredged to take advantage of the storage project should it go ahead. We went through a study that concluded that the dredging costs were lower than we expected, which is a positive development. We are just packaging that up for our board to take back for a decision, but at this time, it looks like economics are quite favourable

and, subject to the board's approval, we are looking to move forward with the detailed design, engaging with contractors to finalize costs, et cetera.

Mr. Istchenko: Are any of those costs that the minister was talking about — is he able to bring them to the House today?

Mr. Hall: In our budget for this year, we have a budget allocation of \$1 million. I will comment that it is subject to approval of our 2019 capital plan by Management Board, which is required for our debt financing for the year.

Mr. Istchenko: Earlier today, my first question was from a press release on April 16, 2019 about how water was used to generate 94 percent of electricity, and six percent was from LNG and diesel. As we know, a few years back, it used to be higher than 94 percent, so it is actually going down. We are relying more on LNG and diesel. It's because of minimal rain and snowpack — and of course the Yukon is always growing. So like I said, more power has to come from alternative sources.

The witnesses spoke a little bit about mid-range hydro projects and things like that: Can they expand a little bit on the vision of Yukon Energy and YDC — as the money people behind it — for the next, say, 10 years for power for the Yukon?

Mr. Hall: As Ms. Cabott outlined in her opening remarks, the overall long-term intent is to build a portfolio of largely renewable supply options to meet Yukon's growth. As the member points out, the Yukon continues to grow. We see population growth. We see growth in the economy. We see the connection of new mines. In the long term, renewable energy sources are required and necessary to meet that future demand.

However, we do remain an isolated grid. Given that circumstance, we have to meet load at all times of the day and weather, and we have to cover off not only day-to-day operations, but a worst-case contingency event where we lose our largest generator, for example. That's where the role that our thermal resources play — LNG and diesel — in terms of providing that insurance policy against not only that worst-case event, but also, as the member points out, low-water events, droughts, et cetera.

So while we remain an isolated grid, those thermal resources will play a role. Our plan, as Ms. Cabott outlined in the strategic plan, is to over time try to minimize the use of thermal — but it will take time to get there. It's not going to be an immediate solution. Things like the battery, if it receives federal funding, will certainly help in terms of meeting peak load, not necessarily with thermal resources.

Mr. Istchenko: I want to speak a little bit about — a couple of questions — power outages. How many were there over 2018, and how did they, on average, compare with other years? How many of these were controlled or planned outages versus uncontrolled outages?

Mr. Hall: It's a very good question. I don't have the data with me. I know that we track — one of our key performance indicators is controllable outages, and actually I do have the stats for those.

If I look at total system outages in 2018, we're 34 compared to 59 the year before and 48 in 2016 — so a good performance in total. In terms of controllable — so these are outages that we can ascribe to human error or maintenance issues — for example, we had 11 compared to 16 in 2017, so an improvement in that performance as well.

Mr. Istchenko: My last line of questioning — I want to return to the issue of Yukon Energy Corporation assets. Earlier, the president of YDC mentioned being aware of an interest by First Nation development corporations to buying assets, or an interest in YEC. How was he made aware of these interests?

Mr. Ferbey: I'm aware because there has been some discussion with First Nations as they're looking at some of the power lines. For example, there have been discussions with the Na Cho Nyäk Dun. So from time to time, people have asked about the agreements and talking about a potential equity stake. First Nations haven't formally approached the corporation with any correspondence other than to ask from time to time about the equity stake, and that language is in the final agreements. I have had casual conversations and it has come up from time to time, but never any formal correspondence to progress the conversation.

Mr. Istchenko: Then I can assume the government wouldn't have received any proposals or any types of requests.

Mr. Ferbey: No, I'm not aware of any formal requests or proposals to enter into dialogues with the corporation around a sale of assets or an equity position in the company.

Hon. Mr. Pillai: Mr. Deputy Chair, just for the public record, I can say that as long as I have been in this role we have not received any proposals for purchase of assets — formal proposals put on the table. I know that in my previous work in the private sector — and I'm sure it's the same for the president of the Yukon Development Corporation — I have heard from First Nation leaders on multiple occasions about their experiences working. To be very open, I don't know if it was under the previous government. It could be more historical than that. It could even be back to a different time and period. But I know that there definitely were, through conversations with the Yukon Indian Development Corporation, early negotiations put in place where asset purchases or partnerships were discussed. That has definitely been passed on to me.

I have heard of these things in the past, but we haven't had any formal discussions and now, of course, the Yukon Indian Development Corporation is not as active as it was previously. I can say that my support to both the Yukon Development Corporation and Yukon Energy Corporation is that when we are working in any traditional territory, we maximize the opportunity for joint venture and try to live the spirit of the chapter 22 agreement. In some cases, chapter 22 clearly speaks to what that relationship would look like when we look at new generation, but also the team at Yukon Energy Corporation has done a phenomenal job to try to take that same spirit and parallel it with investment opportunities around other assets — that may be transmission or the like.

Mr. Istchenko: I thank the minister for that.

This is my last question on this, which will either be answered by the witnesses or the minister: Have any of the witnesses had a discussion with the minister about selling assets or interests in Yukon Energy Corporation?

Mr. Ferbey: No, we have not had a discussion about selling assets of the corporation or any shares of YEC or YDC.

Mr. Istchenko: I guess that ends my line of questions today. I want to thank the witnesses for being here and I will cede the floor to the Third Party.

Ms. White: I am so surprised to be up so soon. I thank my colleague the Member for Kluane for his questions. I welcome the officials — especially Mr. Pemberton, as it is his first appearance in the House.

I would first like to start by asking both the officials from the Yukon Energy Corporation and the Yukon Development Corporation about their appeal to the Yukon Utilities Board regarding their demand-side management programs. I wanted to know the status of that appeal.

Mr. Hall: The nature of the appeal was against a ruling that the Yukon Utilities Board related to the acceptance of prior costs related to our in-charge program. The Yukon Utilities Board had previously approved the in-charge program and the scope thereof. We had accumulated costs, with the understanding that the board would then approve those costs. They changed their mind on that, and so we appealed against that. Those were both historic and costs within the test years. We have not yet heard back on the final decision there.

Ms. White: So does that mean that other demand-side management projects that the Yukon Energy Corporation does are still allowed to go forward?

Mr. Hall: In a separate section of the decision, the Yukon Utilities Board also passed a ruling effectively saying that they believe that government was better positioned to deliver demand-side management programs, and they indicated that they would not accept future costs on DSM. There is no way for us to formally appeal that. We added some correspondence into our R&V on the in-charge just to state our position on that. We will see what happens in their final decision.

This is a very unusual thing that has happened with the Yukon Utilities Board. We are going to get two decision documents, which is not typical.

Ms. White: Just in tying that to the mandate letter — and maybe this is just a quick question for the minister — the YUB recommendation to not follow through with DSM projects — just very quickly, does that affect the minister's ability to follow through with his mandate letter that talks about energy conservation?

Hon. Mr. Pillai: I am just continuing to communicate with the Yukon Development Corporation and Yukon Energy Corporation to understand what the final decision will be concerning the YUB ruling, but also taking into consideration that we had a very positive announcement that was just made — we are going to continue to do that type of work. Our

expectation is that we will have the ability to bring those costs to rate, because we believe that is the appropriate thing.

I have directed — and I can leave that to the Yukon Development Corporation team that is here to talk about it — but essentially to understand, as a plan B, what tools are available from a legislative perspective that we have as well. I know that the Third Party has touched upon some of those potential tools, which are really directives in government. There have been good exchanges here concerning that, and I'm really looking at all particular options.

Of course, my mandate letter — taped to the wall in my office, which I look at each and every day — becomes a blueprint for the work that I try to accomplish with the individuals and the technical team we have here.

Ms. White: I thank the minister for just that quick clarification. I would like the officials of the Yukon Energy Corporation to know that I fundamentally disagree with the Yukon Utilities Board decision, as I believe the entity that is in charge of generating energy as well as trying to achieve renewable energy is the best suited to try to manage that.

I'll just put that out there. I don't think that's a surprise to anyone.

As a follow-up question to my original one about DSM — this is a speculation question. I appreciate that it's speculation, and if we can't go there, then I understand that. If the Yukon Utilities Board mandate was updated to include social and environmental considerations, would your ability to carry out demand-side management projects and renewable projects be expanded in its current state?

Mr. Hall: That is truly a speculative question. I don't think we can really say. If you look around the regulatory world in North America, it's one in flux. Governments are searching for regulatory models that are suited to the times, but I'm not sure there's any one silver bullet out there in terms of regulatory form. Jurisdictions have tried different things, and it's something that we have an active interest in, but we don't really have a firm position on what that might look like and what it would mean for our business, specifically.

Ms. White: I do appreciate that answer. In the April 12 news release, when we're talking about energy storage and 400 homes — does this need to go in front of the YUB? I'm just wondering if it will affect the ability to move forward with that announcement from last Friday.

Mr. Hall: The costs that Yukon Energy Corporation will contribute to that project — we will include that in a future rate application, but not right now. When we go next to the YUB, that will be included in those test years and the YUB will get to rule on it at that time.

By then, the program will probably be underway to some degree.

Ms. White: I do appreciate that second part. I guess the reason I was asking this question was that I was trying to understand. I appreciate that the target number has been 400 homes. As we have discussed here, I am a proponent for energy, storage, and innovation — and kind of being the first. The reason I wanted to know about whether it was going to be affected by the YUB — so if it's already underway by the

time of the next rate application, how would that affect the program and how would that affect the future, if it proves to be effective?

Mr. Hall: If Yukon Energy Corporation incurs the costs and the YUB then denies them, what happens is that gets charged to essentially our shareholder. It gets deducted from shareholder return. So ultimately, the shareholder will then bear those costs.

Ms. White: I do appreciate that answer as well.

In the announcement, it didn't talk about how it was going to work. Last year, we talked about a smart grid conference that I had been to and we talked about the time-of-use rates. In the announcement of this program, it didn't say when it was going to roll out, it didn't say how it was going to roll out, and it didn't let people know how they could apply to be one of those first 400 — so if the utility could talk more about that.

Mr. Hall: The member opposite is correct. The details of how people would sign up haven't been released yet. We did say that we would be coming out with that sometime in the late summer or early fall, because we do want to be ready for this winter. There will be some kind of subscription process. We will probably work with partners, including perhaps the conservation society, to enlist interested parties. We are looking for early adopters, innovators, and people who have an interest in this kind of solution.

In terms of cost — we don't have time-of-use rates at the moment in the Yukon, so there is no real financial benefit during this pilot phase in people participating, other than knowing that they have played an active role in helping the utility to shift peaks and manage our greenhouse gas emissions. The hardware itself will be paid for, so there won't be any financial outlay for participants.

Ms. White: Was there a reason why it was decided on 400 homes as opposed to expanding the pilot to include a larger number?

Mr. Hall: That was driven mostly by the financial envelope that we had to work in — what the different partners were able to bring to the table. Four hundred homes is an estimate based on what we believe the costs per household will be, plus overhead project management costs. There is a fair amount of fixed costs to run a pilot like this. From a statistical basis, 400 homes is more than enough to get a real handle on the effectiveness of this kind of program. You could argue that you probably could get away with less. At the end of the day, we will see how many volunteers we get and how much we can afford. That will determine the final number.

Ms. White: It is just my eagerness in seeing the smart meters go up that I would hope that it would be expanded.

I know that there is a community group that is trying to do a federal funding application to do a pilot project with electrical thermal storage units. If any of the witnesses are familiar with that project, do they have any thoughts about it?

Mr. Hall: The ETS — I will use the acronym — was a solution that was identified during our resource plan in terms of managing capacity — an energy-efficiency program targeted at capacity issues. We certainly worked

collaboratively with the proponent who brought that funding application forward. We are keen to participate in that pilot and are waiting to see how the feds come through with the money.

Ms. White: It is another one I am hopeful for. In an ideal world, I would have both the air source heat pump, the ETS system, the smart meter that could turn them on and off as we go — it would be a great day. I am also hopeful about that.

From where you stand as a utility, what is your assessment of the recent IPP policy and the impact it might have on renewable energy projects?

Mr. Hall: Mr. Deputy Chair, there is a strong policy bent to that question, which we as a utility don't venture into, but I think we are extremely optimistic about the standing-offer program. We have seen some strong proponents working on projects. Hopefully, it is just a matter of time before we see some progress through the application process to the point where we can enter into negotiations for the commercial contracts to buy power.

We have seen some surprising things. For example, the price of solar has come down to the point that it seems that smaller scale solar projects will be able to compete at the price of the standing-offer program, which is encouraging. Again, those have been added at a very early stage to the funnel of potential opportunities. The Yukon Development Corporation is the initial entity that deals at the pre-application phase, and they process and review applications. If they are complete and assessed to be within the mandate of the program, they are then passed to us.

Ms. White: I was online looking for the numbers for the price of the standing-offer program. We talked about — initially the witness said I believe that LNG was 15 cents and diesel was 35 cents. I wanted to know how the standing-offer program and the price set for that worked.

Mr. Hall: So the way the price was set in the standing-offer program was based on the cost of both LNG and diesel as approved by the YUB and what is incorporated into rates. It is a number that is approved at every GRA. Then there is an escalator where, if we sign a contract, for the future years of that contract, it escalates at 50 percent of CPI. That is consistent with, for example, the way BC Hydro's standing-offer program works.

Ms. White: Just out of the assessment of the witnesses, is the pricing scheme structured in such a way that allows and encourages renewable projects to be successful?

Mr. Hall: There was a philosophy that was applied when the pricing was formally set which essentially protects ratepayers from any impact on rates from buying that power. That was the primary consideration that was used when setting that price.

Ms. White: As an example, if I had put in an application or a proposal for a program and been approved by the YDC, what would that rate be right now?

Mr. Hall: I believe it starts at 15.8 cents, yes. That is the rate that is approved by the Yukon Utilities Board. As I

referenced, it's a number that people can go and look up every time we do a GRA.

Ms. White: One of the reasons why I was asking that question was just a curiosity or concern as to whether or not a renewable project, for example, wind — if we are talking about wind on Haeckel Hill here, having had very limited conversations as to whether or not they would be able to reach that target amount.

Just a question to the experts who are in the room: For clarification, would the proponent then have to pay for the connection to the grid? If they were to put in the proposal for the project, if they were to be accepted, would they also be responsible for the cost of the connection?

Mr. Hall: Yes, that is correct. They would have to pay for the cost of connection to the grid.

Ms. White: To go back to the April 12 announcement about the storage, there was the conversation we just touched on about the time-of-use rates. Was there consideration in trying to include that into the pilot project to see how that would affect households?

Mr. Hall: No, there was not. We are not able to offer a different rate to any customer. That is a pretty hard and fast rule that we live by. Even within the pilot, I could not really change the price I charge to that particular customer.

Ms. White: Since the witnesses have been in the House previously, especially the President of Yukon Energy Corporation, he knows I look forward to the date where we do have the ability to do that.

I have a question about street lights, as odd as that sounds. I'll ask this first: What communities is Yukon Energy Corporation responsible for as far as power supply? Which communities do they do direct sales to?

Mr. Hall: I am going to forget some of the little ones probably, but they are Dawson, Mayo, Faro, Mendenhall, Johnsons Crossing — I am probably missing a little pocket somewhere. Perhaps to anticipate the next question: We have replaced all of our streetlights within those service areas with LED.

Ms. White: That is fantastic news. I won't hold it against anyone if we have forgotten any small communities, but I can't guarantee for others.

Do we know what the energy savings has been since those have been changed? Do we have a pre-LED light and a post-LED light number?

Mr. Hall: I don't have that number with me. I have certainly seen the number drop as we compare years prior to the LEDs and post-LEDs. We can provide those numbers as a follow-up.

Ms. White: When I say "cost", that is just one way to measure the energy generation and the usage of that. The reason I ask is that it's my understanding that ATCO Electric is talking about changing their lights over at end of use, so not even necessarily when the bulb goes out but when the ballast — I believe is the terminology — needs to be replaced.

This is a question maybe for YDC whose mandate is to work on that energy conservation. Has there been any conversations with ATCO about speeding up that process?

Mr. Ferbey: ATCO has completed LED streetlight conversions for Old Crow and Teslin. There have been discussions and costing of other communities to transition to LED lights.

Ms. White: Does the official have any idea of how many have been done or the percentage that have been done in the City of Whitehorse?

Mr. Ferbey: That is information that we will have to talk to our partners at ATCO about. I don't have the information on hand.

Ms. White: That is absolutely fair. I was curious.

When we have the two corporations in the House, including the ones that do the generation and then they sell to ATCO and then ATCO sells out — one of the reasons why I was asking about trying to speed up that process is the fact that it would be less energy that would be consumed in the long run. If we are talking about managing our energy usage, I would encourage that to be actively pursued, understanding that it is not necessarily within something that can be done by the witnesses who are here — but I encourage that in the long run.

At the moment, we are seeing an increased reliance on fossil fuel-generated electricity, and we have often talked about demand-side management, time-of-use rates, and most recently, of course, the CEO of Yukon Energy Corporation has mentioned conservation. I would like to ask: What, if any, programs do the witnesses believe could be carried out, but currently are not, that would be most effective in reducing the need for us to run the LNG or diesel generators?

Mr. Hall: Looking at the question narrowly, I think that a positive funding announcement on the battery would certainly help.

In the longer term, any funding helps, subject to the constraints that we all live under, but a number of the projects that we are working on take time. They can't be instantly implemented, and that's the reality that we live in. Even if you added money, it wouldn't necessarily bring those projects forward in time.

Ms. White: I do appreciate that answer. The position that I come from is that, for the last eight years, I have asked about renewable projects, understanding that it takes time, money and a combination of those two things and the will to do it and all the rest of it.

One of the things that we have discussed previously is how to make sure that energy planning carries past and through election cycles.

One of the things mentioned, of course, was the renewable options. We were told about the standing offer. We were told about maximizing our hydro units 2 and 4. I believe that when the witnesses were here last year, we were told that 2 was on the way and that 4 was soon to happen.

Can I just get confirmation as to whether or not we have maximized both of those units — No. 2 Whitehorse and No. 4 Whitehorse?

Mr. Hall: Just for a bit more detail, the Whitehorse unit 4 upgrading is related to increasing the instantaneous output of the unit. I am getting a bit technical here, but it is allowing

us to open the turbine gates a bit more fully. That is a relatively easy project to implement, so it should be implemented next spring.

In terms of operating unit 2, that's a much more extensive exercise. It involves installing a new turbine runner, which is a bit of the unit that has the blades and spins around. That is a much more significant exercise. The delivery lead time for a new piece of hardware like that is almost a year, so we are looking at the spring of 2021 for that implementation.

This is all subject to getting board approval, because we are progressing it through a stage-gate approach — just being diligent about proving economics and managing risk. Assuming that it will progress as planned, that is the timing that we are looking at.

Ms. White: The reason I'm asking is last year — just to quote back to the witness, which I apologize for, but I'm not really going to apologize for it — it says: "This year, we're moving forward with two pieces of engineering work. One is to increase the output of Whitehorse No. 4..." — which he has just mentioned — "... and that would actually increase capacity, so the megawatt output, which is of great use to us." I agree. "The second one is to look at efficiency improvements to Whitehorse 2. That's a longer-term opportunity, but we're going through the initial engineering of that. Together, we plan to spend approximately \$750,000 on those two exercises."

The reason I was asking about it now is it was mentioned last year. Now we're talking about doing 4 in spring of 2020. I'll leave it at that. Are we doing the improvements to unit 4 in 2020, or is it later this spring?

Mr. Hall: There are a bit of semantics about what does "doing" mean. You have to do design work; you have to put equipment on order, and then you go in the field and you do the installation. Perhaps a year ago, when I talked about doing it or moving forward, I was talking about the engineering phase. Where we are with Whitehorse 4 is we have done the design; we're planning to bring it to our board in June and then proceed immediately with putting hardware on order.

The other thing we have to realize here is we only have specific windows when we can take these hydro units down, and it's typically in the spring of each year. So if you miss a window, everything gets bumped out a year. That actually happened to us with unit 2. We were hoping to hit the 2020 window; we missed it; it slipped out a year.

Ms. White: I do appreciate that, and I also appreciate the answer. In the conversations we have had — not on the floor of the Assembly — I have said, and I'll say it here, that I'm not an expert but I'm curious and willing to learn. I look forward to when it can actually be implemented through the engineering and actually see that change.

The witnesses talked a bit about Victoria Gold. The Member for Kluane had questions. Last year again, it was talked about how there's a summer load and how that would work because of how that works. The one question I have is that the recent announcement about the snowpack and the current projections for the summer's hydro — is there an

expected increase of thermal usage, and if so, has that been calculated ahead of time?

Mr. Hall: Earlier this week, we came out in the media with some numbers on what the snowpack looks like at the moment and what the implications were for our system this year. As part of that, we gave a range of numbers on what thermal generation will look like in 2019. That range is driven largely by uncertainty around how much rain we're going to receive this summer — because that's a key driver of ultimately how much water we have in our reservoirs come the fall as we get ready for the winter season.

That range was approximately between 50 and 100 gigawatt hours, and that includes the expected mine load from Victoria Gold this year.

Ms. White: I appreciate the answer and I appreciate that planning. Earlier there was reference to a power rate — maybe that's not the right terminology — but that the contract had been signed with Victoria Gold. I wanted to know if the witness is able to share what Victoria Gold would be paying as their cost of power.

Mr. Hall: That was all disclosed in our power purchase agreement regulatory proceeding, so it is available for public consumption. Industrial customers pay both an energy charge and a demand charge, depending on what their peak consumption is, but we estimate that it comes in at around 15 cents per kilowatt hour. That will be subject to any rate increases approved by the YUB as part of this GRA that is still underway.

Ms. White: I thank the witness for that answer. In the introductory statements, there was mention of a strategic plan for the Yukon Energy Corporation. I was online — on the website, which I do appreciate. I also appreciate the updates of the Yukon Development Corporation, but I couldn't find the strategic plan online — maybe I could be told where I could find a copy of that.

Ms. Cabott: The board worked on the strategic plan in December — we had originally planned it in July. It was delayed due to board members and availability, so we have been finalizing that strategic plan. It will go before the board at our May meeting and it will be final and then up on the website.

Ms. White: I look forward to seeing it. There was reference made to the strategic plan, and I can't find the strategic plan just to take a look at it. I was just looking forward to that.

A compliment for the Yukon Development Corporation, who I maybe dragged through the coals a bit with the minister when the witnesses weren't here — but I do appreciate the updated website. I think it is a lot more exciting for what gets done there, so I do appreciate that. I think that, at this point, I don't have any other questions. I know that the Member for Lake Laberge does have questions and if he rattles something loose in my mind, I may stand up again.

To that point, thank you very much. Energy is one of my favourite things. I had no idea I was going to like it as much as I do, but I do look forward to future conversations and I do

look forward to future announcements when we talk about renewables coming online.

Mr. Cathers: I thank the witnesses for appearing here this afternoon, as well as the answers they have given. I have been listening with interest.

I would like to just ask a question regarding, first of all, a matter that is of interest and potential concern to my constituents. If I understand correctly — and please correct me if I am mistaken on this — the consideration about adding a battery storage unit and potentially diesel generation capacity — if I understand correctly, the location for those potential projects has not been finalized and some consideration is being given to it being on the site of the Takhini substation, which — though it sounds to many like it might be somewhere else — the location of that is at about mile 5.1 on the Mayo Road, which of course is in my riding of Lake Laberge. It is within the Mayo Road zoning area and also adjacent to a number of properties that are rural residential, as well as a significant neighbourhood in the surrounding area that is primarily rural residential and agricultural, with a little bit of commercial mixed in there.

I would just like to ask first of all if the witnesses can confirm that I'm correct in understanding that this option is being considered for both battery storage and diesel. Secondly, if that is correct, can they confirm what the timelines are for making a decision on the options and whether they plan on doing public consultation with people in that area or another area if they choose other options? I know that the potential of an increase in noise is certainly something that would be of interest to my constituents in the area and they would want an opportunity to be involved.

Mr. Hall: It is correct that the Takhini substation is one of the locations that we are looking at for both the battery storage and a potential new thermal plant. There are a number of other locations, which range from retrofitting our existing blue diesel building to a number of what we would call "brownfield sites" at the Whitehorse landfill near the sewage lagoons and actually on a piece of settlement land on the south access from our current facility. There are a number of locations. At this point, we are assessing both technologies and locations, so there is a matrix of almost 20 different combinations possible.

We do plan to, once the preliminary engineering work is complete, complete a round of public engagement to solicit views from the communities around those sites on relative preferences, et cetera. We certainly will be looking at some of the attributes that the member mentioned, such as noise, air emissions — so modelling to see the dispersion of any emissions — aesthetics, et cetera. It's not just a purely financial decision. We will be evaluating those socio-economic types of features of each location and combinations. We are very interested to hear the public's feedback on which relative site is preferred in general. We will then bring that information back in that stage-gate approach to make a recommendation to our board on a location and a fuel type, for example.

Mr. Cathers: I appreciate the information. I would just like to take this opportunity to flag for the board and management of Yukon Energy that I know that if they do decide to proceed with the option of developing diesel-generation capacity or thermal or if the LNG is being considered on that site, it definitely would be of concern to a number of my constituents in terms of the impact on quality of life. For people who have moved out to the Mayo Road area, the rural nature, including quiet evenings and the opportunity to be a bit out of town is a big part of what drove a number of people to choose to live outside of city limits. Something that would have an impact on that would certainly be of great concern to some.

I should also flag the fact that there are several tourism businesses in the nearby area, including an outdoor learning centre and a northern lights tourism business that might actually see a negative financial impact on their ability to run their businesses — especially in the case of the aurora-viewing company, as the experience that guests are paying for would include — I would assume — in part, the quiet evenings that guests would experience. If there is a diesel generator a couple of miles down the road — actually less than that, come to think of it — I would think that it would potentially have a significant negative affect on their business.

Again, recognizing that more is to be done, I do just want to flag those concerns and encourage Yukon Energy — if they give serious consideration to that site, to not only directly inform people in the area so that they an opportunity to have their views heard, but to reach out directly as well to the businesses which might be financially affected by that so that we don't have a situation where someone has a negative impact to their livelihood as a result of the power generation proceeding, especially if there may be other sites or alternatives that can avoid that type of negative impact on anyone.

I would just ask a couple other questions related to that — particularly in this case I am asking about the battery storage. Not being intimately familiar with the type of technology that is being discussed for this battery storage, I am wondering whether there is an increased fire risk that is potentially posed as a result of this battery storage capacity if something goes wrong. If so, what the plans would be to mitigate that for any neighbourhood it might be placed in.

Hon. Mr. Pillai: I think it is important for the record and for Hansard here today — I will defer the question concerning the technology of the battery. I believe that the member opposite — for continuity, the work that we are trying to do here was the previous Minister responsible for Yukon Energy Corporation and Yukon Development Corporation. Upon taking on this role — I was sworn in probably on December 5, 2016 — my first briefing concerning the integrated resource plan took place the third week of January, on a Friday after Roundup.

I think it is very important for everyone in the Yukon to understand that the member opposite oversaw the building of the integrated resource — was responsible for that very significant work that was done, which of course inevitably led

to some of the final results — the potential of a thermal plant. It is something that I think is appropriate. It is one of those things where I appreciate his work on it. So no matter what happens, I know he played a large role in it, and I think it is important to put that on the public record.

Chair: Mr. Hall, did you want to answer the technical?

Mr. Hall: The specific question around the design of the battery and risk of overheating — obviously, we as the prudent utility would take due care and attention during the design phase to manage those risks. Batteries need to be cooled. They often have liquid cooling systems to withdraw heat when they are drawing power. We are fortunate in the Yukon that we have cold temperatures, so it should help with that. We will take the appropriate measures to manage risks, as we do when we design storage facilities that store large amounts of fossil fuels which have equal risks that we manage. We put the appropriate safeguards in place.

Mr. Cathers: I do have to point out to the minister — it was an interesting spin on his part. I was hoping we could focus on the more traditional, technical conversations with witnesses. I do have to chide the minister and point out that, as he would know very well if he checked, he will never find any record of me approving, recommending, or supporting the idea of adding a diesel generator at mile 5.1 on the Mayo Road. That is an option I recognize that YEC, through its work, has come up with as an option, but I would just encourage the minister to check his facts, rather than resorting to spin at this point.

I also want to acknowledge that, if Yukon Energy Corporation is looking at adding diesel generation anywhere — while I want to especially emphasize as MLA for Lake Laberge the interest of my constituents in the area, I do encourage them to consult with anyone who may be affected by that, because it's certainly something that could have a negative impact on quality of life if it is not being placed at a spot, such as the Whitehorse dam site, where there's already the noise from that type of generation.

Mr. Deputy Chair, just moving on to the next area that I had a question on — with regard to Victoria Gold, could the witnesses please clarify what the current estimated load is of Victoria Gold? I know it's seasonal, but could they just clarify? I know the numbers have adjusted over the years — if the witnesses could just clarify for the record what the current estimated summer load is of Victoria Gold and how that changes on a seasonal basis.

Yes, that was the end of that question.

Mr. Hall: The power purchase agreement talks about a phased approach to increasing energy supply to the mine. At present, in the very short term, we would be limited to about two megawatts. Then, prior to upgrading of the transmission line, it's limited at 10 megawatts. After the transmission line replacement, they can draw up to 14 megawatts. That's a summer draw. The winter draw is around 50 percent of those numbers.

Mr. Cathers: I appreciate the answer. With regard to additional generation capacity that is being added to the grid

— specifically the third LNG generator — could the witnesses please just confirm what the current cost of that project is?

Mr. Hall: The LNG third engine project was completed around the end of 2018. Total costs were \$8.1 million.

Mr. Cathers: I didn't quite hear the number. I think —

Some Hon. Member: (Inaudible)

Mr. Cathers: \$8.1 million? Okay. With regard to that \$8.1-million project, recognizing that some of the capacity may be required for Victoria Gold, could the witness confirm whether Victoria Gold is paying a larger share of that \$8.1 million, or is that amount being spread equally among all customer classes?

Mr. Hall: The regulatory rules do not allow for the cost of generation to be ascribed to particular customers. For example, if a residential customer on the Mayo Road was to connect, we don't charge and drive our incremental thermal generation — we don't charge that customer all that thermal. They get to share in the complete pool of all of our generation. That is a regulatory principle that applies to residential customers and industrial customers. There is no way for us to ascribe the cost of generation to an industrial customer in the way that the member is suggesting.

Mr. Cathers: I appreciate the answer.

With regard to the planned upgrading of the turbines at the Whitehorse dam, could the witnesses please confirm — correct me if I misheard earlier, but I understood that there was money allocated last year and there is work still being done on WH2 and WH4, but please correct me if I misheard that. Could you please indicate what the total estimated costs are of both of those upgrading projects and what the estimated change in the output is as a result — whether that would be on the basis of total capacity or gigawatt hours in terms of annual production?

Mr. Hall: The Whitehorse 4 upgrading increases capacity by 1.4 megawatts. That estimated capital cost is around \$750,000. The upgrading of Whitehorse 2 is an increase in capacity of around one megawatt. It adds incremental energy production through an increase in efficiency of the turbine of around six to seven gigawatt hours per year. The capital cost of that has not been confirmed at this time. We have engaged with a contractor — so we have selected a contractor. They are going through a value engineering exercise at this time to confirm the scope of work and what items are going to be replaced versus refurbished, so I can't specify a capital cost at this time. That will be confirmed as part of the next stage-gate approval of that project.

Mr. Cathers: Do you have a rough cost estimate of that — understanding that the number is subject to change, confirmation and approval? Do you have a current ballpark estimate of what that will cost?

Mr. Hall: Around \$10 million — but again, probably quite a big margin of error on that number at this time.

Mr. Cathers: I appreciate the answer. I do note as well that we will not hold the Yukon Energy Corporation too closely to that number, understanding that it is a ballpark figure at this point in time.

Could you please provide some information about what planning and engineering work is being done this year by Yukon Energy Corporation? Basically what that portfolio looks like — what items of planning and engineering work are to be done and the total cost that is being spent on planning and engineering work.

Mr. Hall: I will start by just making a comment — and I mentioned this earlier — that our financing for 2019 is in the process of going through approvals. That is approval for short-term debt required and used to fund some of this work. All of what I am going to talk about here is subject to that approval step, but if I go through the projects and identify the ones that I believe relate more to the new supply — which is what the member opposite is, I think, referring to — certainly investments targeted in continued demand-side management, which again — as we have talked a lot about earlier this afternoon — is all subject to YUB approval.

There is planning work on a new thermal plant, on small hydro, the two operating projects that we have talked about — so WH2 and WH4 — energy storage system planning work, and budget for continued wind monitoring on Mount Sumanik. Those are the major activities. I don't have the mental capability to add up all the numbers to tell you what that total is on the fly, but I can get you a total number on all of that.

Mr. Cathers: Actually, if the witness has the individual numbers, I would be happy to hear those, if he has those in front of him.

Mr. Hall: Yes, we can provide those numbers.

Mr. Cathers: Okay, I look forward to receiving that then at a later date.

Mr. Deputy Chair, the witness made mention of small hydro work being done. Can he indicate what is being looked at for small hydro? What site or sites are being considered at this point? What stage would that evaluation be at?

Mr. Hall: Back in the resource plan, there were two potential sites identified. The first was Drury Creek, on the way to Faro, and the second is the Atlin expansion project. Those are the two projects that are receiving attention right now. Work is at different stages on those two and it takes a different form. Obviously Atlin is a proponent that would likely move forward under some kind of IPP arrangement, so they end up doing most of the work in terms of technical feasibility and permitting that would be required. What we would be focusing on there are the transmission upgrades that would be required to connect that supply source.

For Drury Creek, it is the typical work that is required early on in looking at environmental monitoring, assessing some of the key risks around geotechnical work and then starting to look at really pre-feasibility engineering around what a containment structure would involve, et cetera — then obviously a significant piece of First Nation engagement with the affected First Nations to build acceptance of the project and explore different investment models that might be possible in allowing for participation of the First Nation in that project.

Mr. Cathers: I appreciate the answer from the witness.

In the area of the Mayo hydro dam — I may get the terminology slightly off on this — there was a life-cycle or end-of-life review of the Mayo dam project. It was not of course looking at or suggesting that the dam wouldn't continue, but there was a review being done. Again, if I have the terminology wrong — I am pulling it from memory, and I think I have the terminology slightly off on this. Could you just advise where that review is at? Is it complete? What are the next steps and is there additional work required to maintain the ongoing viability and production of Mayo A and Mayo B?

Mr. Hall: I believe that the member is referring to work that we did on the original — what is called the Mayo A plant which dates back to the 1950s. Our assessment had indicated that the plant was approaching its end of life and it needed to be overhauled, which is the work that we did last year. We went in and really did a fairly thorough refurbishment of one of the turbines up there. As part of that work, we actually found that some of the equipment is still in quite good shape, so our initial view that we actually need to do a full rebuild of Mayo A at some point in the future — that's probably been extended by a number of years. There is no doubt that certain components of that plant are at their end of life. The electrical switch gear — there is no doubt that it will need replacement. But I think we were pleasantly surprised by the condition of, for example, the runners. Even though they are very old, they are in good shape. We have great water quality in the Yukon and we don't get a lot of runner erosion, so I think our view has changed in that the rebuild of that plant is probably further out in time than we were initially planning.

We didn't do anything on Mayo B. As the member knows, it is a relatively new plant. There was no work done on that last year.

Mr. Cathers: I appreciate the answer.

Just continuing with Mayo, as the witnesses know, there have been some ongoing effects and challenges affecting property owners near Mayo Lake, Ralph and Norma Mease. Could the witness please provide an update on what work is being done with them as far as dealing with the effects that they have seen of seepage of water, which has had a negative effect on their property?

Secondly, just in the area — there have been problems, as the witnesses know very well, of flooding at times in Mayo. Of course, the management of the water is affected in part by the levels flowing over or through the dam, Mr. Deputy Chair. What is the status of work with the town of Mayo in dealing with all of the issues pertaining to trying to prevent flooding in the winter months, particularly?

Mr. Hall: Mr. Deputy Chair, I will answer the second part of the question first. With regard to the town of Mayo itself — and this goes back now five years — one of my first assignments when I started this job was concerns around water levels in the village there. What we did at that time is that we really worked with a multi-stakeholder group, including some real ice management experts, on changing the way we set ice in the lower Mayo River.

That ice management protocol has been very successful in terms of ensuring that we set a good ice cover. We have had good success in terms of really eliminating any over-ice water that appears in that system. I think that it has worked very well. We continue to meet with that committee during the winter season to inform them, but I think that — so far, so good. That ice management protocol has been successful.

Work done by the Yukon government, I believe two summers ago, to work on some of the flow channels within the lower Mayo River certainly seems to have helped as well, so we appreciate that from Community Services.

With regard to the Mease farm, there is a fairly long history of water issues on the Mease property — and I have a memo here — going back to 2003. There is a long history that actually predates construction of Mayo B, for example, which is often being associated with what is experienced on the Mease farm. I think that it is fair to say that it is a fairly complex problem. Essentially, we have a farm built on the floodplain of a river. In addition, we have a changing river environment. We have siltation happening in the river, probably due to a number of causes. Around the Minto bridge, it is certainly very apparent to anyone who is there that the area upstream is getting silted up. People have spoken to me about the possibility of a link to the placer miners who are on some of the tributaries, but we don't have any evidence to really confirm that.

Suffice it to say, it is a changing environment. We have not seen any correlation between lake levels and any flooding events that may happen on the Mease property, so it is very hard to draw a distinct and very data-driven relationship between how we operate and what Mr. Mease may experience on his property.

We have made several investments over time in trying to help him out. Most recently, in 2016, we spent \$25,000 to fill in a depression on his property and help with a berm around his garden. We have, over time, invested amounts of money to try to help, but it is a challenge. That farm is situated in a very challenging location. I think it is fair to say that not all of what's observed on that farm is in any way related to Yukon Energy's operations.

Mr. Cathers: I appreciate the answer. Recognizing the ongoing challenges that the Meases have had, I would just encourage the president to make sure that he is in contact with them on a semi-regular basis at least. I actually encourage the minister responsible to consider reaching out to the Meases and sitting down with them to discuss their ongoing concerns.

Moving on to a couple of other areas — could the witnesses please provide information on what the total cost is in the budget for sponsorships by Yukon Energy as well as the cost of — Yukon Energy recently did a new logo. I know they released information about the costs of doing that logo design, but that cost didn't seem to include the new signage — or we see a lot of Yukon Energy Corporation vehicles with new signs — or I think they may be called vehicle wraps — as well as letterhead, business cards, et cetera. Could we get an estimate of the total cost of moving to that new logo and all of the additional things that were done and changed as a result?

Last but not least in that list, could the witnesses please confirm and clarify what the total budget is this year for capital maintenance by Yukon Energy Corporation?

Hon. Mr. Pillai: For the record, what I will do is — I appreciate the advice from the member opposite concerning outreach that he has proposed for me to do. The fact that the chief executive officer from Yukon Energy Corporation has identified that this has been an ongoing problem since 2003 — quickly looking at the bio of the member opposite — he has taken on many roles at Yukon Energy Corporation, so I will confer at a sidebar to sit with him to review his notes of his, I assume, many consultations with this individual — because this has been an ongoing problem — to help direct me in being more effective when I reach out.

Mr. Hall: In terms of the exact numbers on rebranding and sponsorships — I don't have those exact numbers in front of me. From memory, the rebranding exercise was around \$30,000. All of the artwork had been done previously, a long time ago, so we actually just dug up what I believe is a very attractive design. We didn't have to spend any more dollars on that.

In terms of the signage and decals — I think that's included in the \$30,000, and we got some funding from French Language Services, because a number of the signs are in both official languages. So there was some assistance given through that funding mechanism.

In terms of sponsorship funding, I can say that there's no significant change in that number. It has been constant for a while. I think our board has looked at creating a new category for sponsorship of First Nation-related initiatives and approved an additional, I believe, \$20,000 for that. This was passed at a recent board meeting, and we can get the specific numbers back after this meeting.

Mr. Cathers: I would appreciate and hope that we can get from Yukon Energy Corporation the details on those numbers and sponsorships, as well as the cost of the logo and branding.

Noting the time — although I could easily go on for a while asking questions, I would just take this opportunity to thank the witnesses for appearing here this afternoon and would turn it over to them, or perhaps the minister also wishes to thank them before they depart here this afternoon.

Hon. Mr. Pillai: Yes, I would like to thank the member opposite for that. I just want to take an opportunity to thank the witnesses for appearing before Committee of the Whole today. Once again, Mr. Pemberton, Ms. Cabott, Mr. Ferbey, and Mr. Hall, I would like to thank you for coming in today.

I would hope that today the Assembly has a stronger understanding of the activities that are occurring. I hope that I have done a good job of reflecting the work that you have been doing when questioned during the Legislative Assembly. I know that we are in good hands, but there are also some parameters and complexity around some of the things as we move toward what I think we want to see — as much of a renewable option as possible. Thank you for the work that you do.

I thank the individuals who are here today. Stephanie Cunha — I think I got it right now — thank you again for being here with us today.

Deputy Chair: The witnesses are now excused with our thanks. Enjoy your Easter weekend.

Witnesses excused

Hon. Ms. McPhee: I move that the Speaker do now resume the Chair.

Deputy Chair: It has been moved by Ms. McPhee that the Speaker do now resume the Chair.

Motion agreed to

Speaker resumes the Chair

Speaker: I will now call the House to order.

May the House have a report from the Deputy Chair of Committee of the Whole?

Chair's report

Mr. Adel: Mr. Speaker, Committee of the Whole has considered Bill No. 210, entitled *First Appropriation Act 2019-20*, and directed me to report progress.

Also, pursuant to Committee of the Whole Motion No. 10, witnesses appeared before the Committee of the Whole to discuss matters related to the Yukon Development Corporation and the Yukon Energy Corporation.

Speaker: You have heard the report from the Deputy Chair of Committee of the Whole.

Are you agreed?

Some Hon. Members: Agreed.

Speaker: I declare the report carried.

The time being 5:32 p.m., this House now stands adjourned until 1:00 p.m. on Tuesday, April 23, 2019.

I wish all members a safe and relaxing long Easter weekend.

The House adjourned at 5:32 p.m.

Written notice was given of the following motion for the production of papers April 18, 2019:

Motion for the Production of Papers No. 19

Re: Department of Health and Social Services non-governmental organization review (McLeod)