



# Yukon Legislative Assembly

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Number 85

2nd Session

34th Legislature

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## HANSARD

Monday, April 16, 2018 — 1:00 p.m.

Speaker: The Honourable Nils Clarke

# YUKON LEGISLATIVE ASSEMBLY

## 2018 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**

### CABINET MINISTERS

NAME	CONSTITUENCY	PORTFOLIO
<b>Hon. Sandy Silver</b>	Klondike	Premier Minister of the Executive Council Office; Finance
<b>Hon. Ranj Pillai</b>	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
<b>Hon. Tracy-Anne McPhee</b>	Riverdale South	Government House Leader Minister of Education; Justice
<b>Hon. John Streicker</b>	Mount Lorne-Southern Lakes	Minister of Community Services; Minister responsible for the French Language Services Directorate; Yukon Liquor Corporation and the Yukon Lottery Commission
<b>Hon. Pauline Frost</b>	Vuntut Gwitchin	Minister of Health and Social Services; Environment; Minister responsible for the Yukon Housing Corporation
<b>Hon. Richard Mostyn</b>	Whitehorse West	Minister of Highways and Public Works; the Public Service Commission
<b>Hon. Jeanie Dendys</b>	Mountainview	Minister of Tourism and Culture; Minister responsible for the Workers' Compensation Health and Safety Board; Women's Directorate

### GOVERNMENT PRIVATE MEMBERS

#### Yukon Liberal Party

<b>Ted Adel</b>	Copperbelt North
<b>Paolo Gallina</b>	Porter Creek Centre
<b>Don Hutton</b>	Mayo-Tatchun

### OFFICIAL OPPOSITION

#### Yukon Party

<b>Stacey Hassard</b>	Leader of the Official Opposition Pelly-Nisutlin	<b>Scott Kent</b>	Official Opposition House Leader Copperbelt South
<b>Brad Cathers</b>	Lake Laberge	<b>Patti McLeod</b>	Watson Lake
<b>Wade Istchenko</b>	Kluane	<b>Geraldine Van Bibber</b>	Porter Creek North

### THIRD PARTY

#### New Democratic Party

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

### LEGISLATIVE STAFF

Clerk of the Assembly	Floyd McCormick
Deputy Clerk	Linda Kolody
Clerk of Committees	Allison Lloyd
Sergeant-at-Arms	Karina Watson
Deputy Sergeant-at-Arms	Harris Cox
Hansard Administrator	Deana Lemke

**Yukon Legislative Assembly  
Whitehorse, Yukon  
Monday, April 16, 2018 — 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 with the Order Paper.  
Tributes.

## TRIBUTES

### In recognition of Elijah Smith Elementary School grade 6 class participation in Meaning of Home writing contest

**Mr. Gallina:** I am pleased to rise on behalf of all members of this Assembly to pay tribute to Robin Fairburn's grade 6 class from Elijah Smith Elementary School. I will be introducing guests under Introduction of Visitors; however, in the meantime, I would like to thank the students, teacher and their families for being in the House today.

We are paying tribute to this class of students to recognize their contributions to a national writing contest that they entered last fall. The contest we are speaking about is the 11<sup>th</sup> annual Meaning of Home writing contest put on by Genworth Canada, a Canadian residential mortgage insurer. This contest began in 2007 and asks students from across the country in grades 4 to 6 to write about their meaning of home. This writing activity tied into Elijah Smith Elementary School's grade 6 social studies community curriculum, where students learn about being citizens and making a difference in their communities.

Robin Fairburn describes the poems' theme as highlighting the differences between the structure of a house and a home. She says — and I quote: "A home is your relationships often inside that structure, sometimes outside that structure. Most homes, I would say all homes, have a dichotomy between joy and sadness. It's about being human."

The meaning of "home" for my family is one of connection — a physical connection, as we are all still under the same roof, and a spiritual connection, as we support one another in sport, academics and community pursuits.

In preparing for this tribute, I visited Robin Fairburn's grade 6 class and met some of the students. I could see the pride that the students hold for the work that they did for this contest. In fact, the poems are bound in fabric-covered folders and kept in a special basket in the classroom. To enter the contest, each submission included a \$10 entry fee, for a total of \$170, which was contributed to Habitat for Humanity. At the time, the students were no doubt also inspired by the promise of a class pizza party for entering the contest.

Mr. Speaker, when these students submitted their writing pieces, they couldn't have known that poems submitted by two of their classmates would make it into the top 10 out of 7,000 entries from across Canada. Those top 10 placements

were each awarded a \$5,000 grant from Genworth Canada, for a total of \$10,000, which was gifted to Habitat for Humanity Yukon.

Habitat for Humanity is a non-profit organization working toward a world where everyone has a safe and decent place to live. Habitat for Humanity houses are sold to partner families at no profit and financed with affordable no-interest mortgages.

Mr. Speaker, it is my pleasure to recognize the two grade 6 students who placed in the top 10 of this national writing contest, Samara Jacob and Kiawna Leas. I would like to now take a moment to read these poems aloud in the House.

*Home by Kiawna Leas*

I am from a medium-sized pink duplex

Squeaking doors, wide dirt driveway, two trucks and a large, pine tree.

I am from family.

Green and brown eyes like emeralds and crisp bark on the trees.

Light freckled skin, wavy hair

Dirty mechanics, and First Nations

From the sweet, loving side of my family and also the chaos-causing cousins.

I am also from annoying brothers who don't act their age  
And psychotic pets that scratch, bite, and cry.

I am from the ordinary smell of my kitchen.

Buttery, popped popcorn,

The smell of fresh, spiced soup, baked, salted chicken,

Sweet, baked treat.

I am from countless celebrations and parties.

I am from crying and joy.

From birthdays, anniversaries, and potlatches

Having to suffer through pain,

Sadness, and anger.

I am from a medium-sized pink duplex.

Squeaking doors, wide dirt driveway, two trucks and large, pine tree.

*Home by Samara Jacob*

I am from a medium sized house

Miniature trees, white and blue paint, shovelled walkway.

In the Front yard, a hidden rose bush grows under our house.

I am from my family.

Long wavy black hair and an annoying little brother.

I am from eyes as dark as the clear night sky

I am from a bunch of yelling and a little loud dog barking whenever she hears a sound.

I am from the smell of cultural food and loud talking at the dinner table.

Burning hot sauce and different sweet deserts.

I am from happiness and sadness  
 Laughter and anger, loss and joy.  
 Screaming and slamming doors.

I am from a medium sized house.  
 Miniature trees, white and blue paint, shovelled walkway.  
 In the front yard a hidden rose bush under our house.

Mr. Speaker, in closing, I would like to speak to the importance of recognizing youth in this House. In total, 53 students from across Yukon contributed poems to this national writing contest — 53 Yukon students who spent time thinking, planning, and then bravely contributing heartfelt sentiments about their personal meaning of home to a contest that had the potential to positively impact Yukon families and communities through the Habitat for Humanities' affordable housing initiative.

Students in all of Yukon's communities are our future leaders, and I am proud to stand in this House to recognize and thank these and all Yukon students and teachers for their community mindfulness and to make reference to a quote that, I believe, is fitting for these students. I quote from Dr. Seuss:

Unless someone like you cares a whole awful lot,  
 Nothing is going to get better. It's not.

### In recognition of 25<sup>th</sup> annual Yukon Bridge Building Contest

**Hon. Mr. Streicker:** I rise today to pay tribute on behalf of all members of this Legislature to building bridges and breaking them. This past Saturday was the 25<sup>th</sup> annual Yukon Bridge Building Contest. Every spring, students from across the Yukon build bridges out of coffee stir sticks, dental floss and glue.

They bring those bridges in to be load-tested by engineers until they break. One-hundred-plus people, engineers, tech folks, parents, teachers, volunteers, onlookers, and students — screaming students, Mr. Speaker — gathered in the Porter Creek Secondary School gym to watch 96 beautifully constructed bridges get strength-tested to the point of bending or breaking.

As always, it was tremendous fun — more fun than you can shake a stick at — in fact, more fun than you can shake tens of thousands of coffee stir sticks at. The students press forward as the engineers begin loading up their bridges — some avert their eyes — and then they peek. More weight is added to the bridges. Dental floss comes under tension and a hush falls over the crowd. The bridges start to creak and groan and deform — sometimes a glue joint will give under the strain and a tiny puff of pulverized glue will shoot up from the bridge like a puff of smoke and then the bridge collapses and the students scream and I grab my chest. It is like a surprise that you know is going to happen and still you can't help but react.

This year, Ghùch Tlâ School in Carcross swept the top three spots in a grade 3-5 category with stout, sturdy bridges. One bridge took over 100 kilos to break. That is more than me.

Young Mathilda Kaiser's bridge broke after only 1.9 kilos, but I mention her as she was awarded the best narrative for the 96 bridges in this year's competition.

The strongest bridge in the grade 6-7 category was made by Kayce Sligo and Emily-Anne Sydney from Teslin.

Tantalus School in Carmacks took eight of the top 10 spots in the high school category.

Jethro Sinclair of F.H. Collins came third in this category. I mention Jethro as his bridge was awarded the best-looking bridge. It was an arched bridge with beautiful detail. When he was awarded the prize, he showed us that he had with him a complete schematic that he had drafted on graph paper and I thought to myself, "what an engineer".

Quinn Howard won the open category this year and his narrative talked about the inspiration for his bridge being his grandfather, Al Loewen, who had a bridge in the ALL-CAN category for adults.

As well, I would like to mention young Shale Davis, who came fourth in the open category. Shale could have entered the grade 3-5 category and would have actually taken it home, but he chose to open the open category and came fourth. It was pretty impressive.

Winning the ALL-CAN category was young Anya Bellon and her dad Michael. Their bridge was the lightest, strongest bridge in the competition. It didn't take the most weight to break, but given that it was a much lighter bridge than many, it won overall. They made dental floss cables that were super strong under tension. They were nearly as thick as my pinky. It was truly a cable. Anya, it turns out, was one of two young students who won the draw to be our engineers of the future. She and Sophie got to break the very first bridge of the day.

On behalf of all members of the Legislature, I would like to congratulate all of the competitors — young and old. Thanks for letting us break your bridges. Thanks for your commitment to lifelong learning and problem-solving. Thanks for designing and building a better world. To Engineers Yukon, parents, teachers and Yukon College and all of the Ministers of Education over the past 25 years, thank you so much for 25 years of inspiration.

*Applause*

**Speaker:** Introduction of visitors.

### INTRODUCTION OF VISITORS

**Mr. Gallina:** We have Robin Fairburn's grade 6 class with us today, who just returned from muskrat camp and shared exciting stories with me about their adventures just outside of Beaver Creek. They're here with us today and I will take a moment to recognize them. I would ask that members join me in welcoming them. We have Malaki Alatini, Nataley Anderson, Nicholas Balderas, Seqoya Bayne, Diego Chief, Anthony Coad-Lenz, Monica Dawson, Kayoni Dickson-Camilleri, Kaylee Fortier, Jakob Gatensby, Samara Jacob, Kiawna Leas, Emma Menzi, Kayden Smith, Madison Sutherland and Louis Thompson. With us also are: Robin Fairburn, their teacher; their educational assistant, Kristy Knutson; and their principal, Jim Complak.

Welcome.

*Applause*

**Hon. Mr. Streicker:** I would like to welcome three guests to the Legislature today who have helped out or will be helping out with the bridge building competition: first of all, Ben Malone, who always does our data entry and gets the results for us there; Tim Green, who has been going around to all of our schools over many years to talk to the students about engineering principles, who gets students excited about the bridge building competition, and who organized I think overall the bridge building competition this year; and Michael Ross from Yukon College and the research centre, who I think is planning to organize the competition for the 26<sup>th</sup> annual competition — if we could welcome them.

*Applause*

**Hon. Ms. McPhee:** I ask my colleagues to join me in welcoming today to the House our Officer of the Legislative Assembly, Diane McLeod-McKay, who is the Yukon Ombudsman and Information and Privacy Commissioner and the commissioner in charge of the whistle-blower legislation, for lack of a better term. Welcome and thank you for being here.

*Applause*

**Speaker:** Are there any further introductions of visitors?

Tabling returns and documents.

### TABLING RETURNS AND DOCUMENTS

**Speaker:** Under tabling of returns and documents, the Chair has for tabling the following annual reports: the 2017 annual report of the Ombudsman, which is tabled pursuant to section 31 of the *Ombudsman Act*; the 2017 annual report of the Information and Privacy Commissioner, which is tabled pursuant to section 47 of the *Access to Information and Protection of Privacy Act*; and the 2017 annual report of the Public Interest Disclosure Commissioner, which is tabled pursuant to section 43 of the *Public Interest Disclosure of Wrongdoing Act*.

Finally, the Chair also has for tabling the Yukon Human Rights Commission 2016-17 annual report, which is tabled pursuant to section 18 of the *Human Rights Act*.

I would also join the Government House Leader in welcoming Diane McLeod-McKay to the House today. Thank you for your hard work on these three different departments and commissions.

*Applause*

**Hon. Mr. Streicker:** I have for tabling a legislative return in response to questions during budget debate regarding increases in funding to community libraries.

**Speaker:** Are there any further 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

**Ms. Hanson:** I rise to give notice of the following motion:

THAT this House urges the Government of Yukon to take advantage of the accessibility of the old library building adjacent to the Legislative Assembly to:

(1) consider relocating government services that would benefit from greater accessibility, such as non-insured health benefits and vital statistics; and

(2) determine the adequacy of the space for a government-run daycare.

**Speaker:** Are there any further notices of motions?

Is there a statement by a minister?

This then brings us to Question Period.

### QUESTION PERIOD

#### Question re: Carbon tax

**Mr. Cathers:** We're 30 percent of the way through the Liberal mandate and the Premier still won't tell Yukoners the full impacts of the carbon tax scheme that the government signed on to. Two weeks ago, he tried to deflect from this by releasing some information to Yukoners. The problem is that the information, by the government's own admission, was already about a year out of date, missing lots of detail and flawed.

In the documents released by government, we learned that this will be a \$26-million annual tax on Yukoners, but when asked about this new \$26-million carbon tax last week, the Premier made an interesting claim. He claims that when government rebates the money back, it will actually grow the economy.

Does the Premier actually expect Yukoners to believe that he can take \$26 million out of the Yukon economy, subtract the cost of administration of bureaucracy, redistribute what is left over to others through a rebate, and somehow grow the economy?

**Hon. Mr. Silver:** What I am saying is that carbon pricing is a proven, cost-effective way to reduce emissions, fosters innovation for low-carbon alternatives, and provides certainty to business as well. It is only one action, of course, that we are taking to address the complex challenges of the changing climate.

We do support a nationwide price on carbon emissions, which the federal government has announced and which would come into effect on January 1, 2019. The federal government completed a study of what potential impacts carbon pricing may have in the Yukon. It estimated that carbon pricing will reduce the territory's greenhouse gas emissions by nearly 5.5 percent by 2022.

So we did have a four-pager that went along with the federal government's review of Yukon-specific carbon pricing. We had some problems with the number, in that a lot

of these numbers did not consider the results of a rebate back to Yukoners and Yukon businesses. We are, like the Opposition, interested in knowing more from Ottawa. As more information comes in and gets readily available, we will absolutely make it accessible to Yukoners.

**Mr. Cathers:** Mr. Speaker, I have to remind the Premier that he works for Yukoners; he doesn't work for Ottawa. We have heard a non-answer, effectively being told to trust the magic of carbon pricing. The Premier still will not tell us the details. When he says that Yukoners will get everything back, he fails to mention that not every Yukoner will get their money back, and the government still hasn't told us who will receive rebates and who won't.

Their rebate concept seems to be taking money away from one person, subtracting the cost of bureaucracy and giving what's left over to another person. Somehow in this redistribution of wealth, the Premier wants Yukoners to believe that it will grow the economy at the same time, but he won't tell us how. You can't simply take a dollar away from Peter, give that dollar to Paul and call it economic growth.

The analysis of the impacts of the Premier's new \$26-million tax scheme suggests that an average home in Old Crow is going to pay an extra \$1,275 per year. Can the Premier tell us how having citizens of Old Crow pay an extra \$1,275 per year in taxes is going to do anything but make life more difficult?

**Hon. Mr. Silver:** We do work for the taxpayers of Yukon. Sometimes I wonder if the member opposite works for the Government of Saskatchewan. But, at the same time, we believe that there is an awful lot of important information that was missed in the federal review that came out, and that is what we are making sure that Yukoners are aware of. The most important piece of this is a study showing the effect on things like the transportation sector — and also taking a look at making sure that we have a commitment to Yukoners when those revenues received from Canada are returned to Yukoners through those rebates, and that Yukoners and Yukon industries are not disadvantaged when compared to industries in other jurisdictions.

We have been very consistent with our information on this. Again, as the Yukon Party tries to confuse us as to whose pricing mechanism this is, we are waiting for information from Ottawa. I am not sure who else he expects us to be waiting for information from, but we have been very clear in making it known to Ottawa through the pan-Canadian framework that the previous government signed on to, which in effect does create carbon-pricing mechanisms here, and we support that.

We believe that this is the most cost-effective method of dealing with man-made climate change. We believe that industry believes that as well, and the federal government is committed to making sure that this happens.

With this study that came out, we did have problems with the numbers in that it didn't include the rebate part, but I will save some of that for the last supplementary answer.

**Mr. Cathers:** During the election, the Premier and the rest of his Cabinet went door to door telling Yukoners not to

worry — that they would get everything back from the carbon tax — but we are 30 percent of the way through the Liberal mandate and we still have no details from them on how their supposed rebate is going to work.

Based on the little information that they have released, it seems that the Liberal government plans to redistribute the tax to certain people, while leaving others out in the cold. The cost per household of the tax will be highest in Old Crow but, according to their own documents, the tax bill per household in the rest of the Yukon will be as high \$1,110 for some families.

Can the Premier tell us how Yukon families who pay an extra \$1,110 per year due to the carbon tax are supposed to be better off as a result of the Liberal carbon tax? How does he expect the economy to grow while the Liberals reach deeper into the pockets of Yukon families?

**Hon. Mr. Silver:** Mr. Speaker, it's really hard to watch the economy grow when we're paying for the results of climate change, such as forest fires and climatic episodes that have been happening based upon man-made climate change.

The members opposite like to confuse issues. There are two parts to this cost: indirect costs and direct costs. Yukoners are already feeling the indirect costs. The four hubs from which we get our groceries — Ontario, Quebec, Alberta and British Columbia — already have a carbon-pricing mechanism in place, so we're already paying for those indirect costs when the member opposite quotes these thousands of dollars that he keeps overinflating — I believe that the first cost that he started with was \$800, and now it's up to over \$1,000.

There also is a direct cost. That direct cost is going to come from when, in January 2019, this will be a cost at the pumps here, but again the members opposite are refusing to admit, remember or realize — I'm not sure which one it is — that 100 percent of that money is going back to Yukon businesses and Yukon individuals.

We will be reaching out and working with the chamber of commerce with those direct costs — those indirect costs that you are already feeling. So if you are looking to see where people are confused, it is probably because of the narrative that is being spun over here by the Yukon Party.

#### Question re: YESAA process

**Mr. Hassard:** I have some questions for the Premier regarding the environmental assessment process.

On March 16 of last year, the Premier promised in a press release — and I quote: "... to address industry concerns around timelines and re-assessments through a collaborative framework."

The Premier told us last year that the federal Bill C-17 needed to be in place first, although he failed to mention that to industry or in his news release. Mr. Speaker, Bill C-17 was passed last fall, so can the Premier tell us when the collaborative framework will be announced?

**Hon. Mr. Silver:** Mr. Speaker, I do appreciate the question from the member opposite. Of course, the repeal of the controversial amendments to the *Yukon Environmental*

and *Socio-economic Assessment Act* and adoption of the YESAA reset MOU have demonstrated a genuine commitment to improve relations and to create opportunities to discuss and to make progress on some very long-standing issues here in the Yukon.

The Government of Canada, the Council of Yukon First Nations, the Yukon First Nations and the Government of Yukon have met to define how the oversight group shall be set up under the MOU and to build a priority list of topics for the group to consider. The parties to the MOU recently met as well with industry groups as we continue this dialogue to discuss the MOU and the oversight group. We are encouraged by their support. While industry is ready to work with us, they are also aware that it does take some time to address these concerns on the issue of minor amendments and renewals.

First Nations who are not party to the MOU will also be invited to contribute to the oversight group's discussions directly as well, and we look forward to continuing that narrative.

We do reach out — and I want to say thank you to industry for their patience. They know that this is a problem we had to solve, and they also knew that we had to speak government-to-government first before we can move forward. We had a great conversation at Roundup. We will continue that conversation with industry and First Nation chiefs as we move forward.

**Mr. Hassard:** I am not sure if the Premier noticed, but I asked when the framework would be in place.

Earlier this year, the Government of Canada announced sweeping changes to its environmental assessment processes south of 60. The federal Environment and Climate Change minister was quoted as saying: "The new agency will have set timelines for the review of projects — a maximum of 300 days ... so that they can be carried out in a 'timely manner'."

Yukon's process requires the YESA board to set timelines for projects in its rules. According to the information on YESAB's website, it could be as long as 648 days of board time before a recommendation is sent to a decision body on an executive committee screening. All of this is before the Water Board process starts.

Does the Premier believe that we should have the same timelines for project assessments in the Yukon as they do in other jurisdictions? If so, will he instruct his officials to begin working with all parties to address this?

**Hon. Mr. Silver:** Thank you very much to the opposition for the question. I appreciate that they do support mining in the Yukon, but again, this meeting with industry took place on April 11. We are having these meetings as quickly as we possibly can, knowing full well that we must meet government-to-government to solve an issue that was created by the Yukon Party when it comes to Bill S-6 turning into Bill C-17.

We know that they want to see the relationship repaired. We know that they want us to be able to move forward but, again, we have been waiting for years for this as well. We waited as the previous government spoke with Ottawa without

the First Nations being involved, and that is why we are here in this position to begin with.

We are very encouraged by the initial conversations with industry. We haven't finished with the government-to-government conversations, but we are very pleased that the chiefs are very understanding. We had a fantastic conversation about these issues — about Bill S-6 — with all of the chiefs and industry representatives at Roundup, and we are continuing that good work.

If there are going to be announcements on this, nobody is more willing to tell about those announcements than the Minister of Energy, Mines and Resources or this team or me, because it is very important work and we want to get this right. Sometimes we get chagrin from the opposition about not enough consultation and then too much consultation. I am not sure where this one lies, but I will assure the members opposite that we are working expeditiously on this file.

**Mr. Hassard:** It's interesting that it took 13 months for the government to hold a one-hour meeting.

Canada has also stated that all projects currently under review south of 60 will be assessed under previous acts and agencies, essentially grandfathering projects that are already in the process. Bill C-17, however, does not allow for the grandfathering of projects, so even if a project started under the old timelines, it's now subject to the new timelines.

We raised this in the House as an issue of procedural fairness, but the government failed to act on it. Given that Canada is allowing grandfathering of projects south of 60, why didn't the Premier ask for this to be included in the Yukon as well?

**Hon. Mr. Pillai:** Mr. Speaker, first of all, I take offence to the preamble to that question. There is only one group of people who failed on this, and they're sitting right across from me. What has happened is that this has set us back years and years in our relationship with our First Nation governments. They can spin and they can turn, but the reality is that we're cleaning up a mess that was left behind. They know it. We know it. Everybody in this Legislative Assembly knows it. Industry knows it. That is what we're cleaning up.

So at this particular point, we're not going to take advice from the opposition because we've taken our own path when it comes to resource development. What has happened is that we doubled the numbers last year of money coming into the Yukon. The projections are to triple the numbers. We have projects moving forward. We're not spending hundreds of thousands of dollars on lawsuits.

So we'll go down the path that we believe is the appropriate path, which takes into consideration respect for both industry and First Nations — not having two separate discussions, which is what led to the problems that we're talking about today. Does it take a long time to recoup from what had happened? Absolutely, it does.

I would think that they would learn from what was done previously and they would take another path — but you know what? It's very clear, as they holler "shame" across the way, that there are two distinct routes on how we'll see mineral

development: the one they used to have, which they'll keep on, and the way we're going.

**Question re: Lobbying legislation**

**Ms. Hanson:** Yukon is one of the last remaining Canadian jurisdictions without any lobbying legislation. My predecessor, Todd Hardy, repeatedly brought up this issue, and it has been an honour to carry on his legacy in advocating for greater transparency in the way government is run.

Lobbying is a legitimate activity but, when it happens in secret, it erodes the public's trust. Yukoners want to know who has the ear of their government and, quite frankly, they have the right to know. A lobbyist registry would allow the public to know who is engaging with their government and what matters are being discussed. Will the Premier confirm that Yukon needs lobbying legislation?

**Hon. Mr. Silver:** I'm a little bit confused by the question in that we have always supported registration for lobbyists in order for citizens to have confidence in government decisions. They need to know who is meeting with whom, as far as the public officials, for the purpose of influencing those decisions. So we are committed to making interactions between lobbyists and elected or public officials more transparent. We are reviewing the experience of other jurisdictions to examine the effectiveness of options for Yukon to move forward. There are a couple of different questions that we're moving forward on right now as far as scale and as far as oversight.

We are absolutely moving forward with this legislation.

**Ms. Hanson:** It is positive to hear the Premier reassert that because, as he said last week, we will get a lobbyist registration moving forward here in the Yukon.

We have heard the Premier say that his government has already started the work of reviewing the way other jurisdictions approach lobbying, in order to find a way that would work in the Yukon. We know that lobbying legislation is long overdue in Yukon. It has been raised in this House for nearly a decade and the Conflict of Interest Commissioner has repeatedly pointed out the need for more transparency when it comes to lobbying.

Can the Premier tell Yukoners when his government will bring forward lobbying legislation?

**Hon. Mr. Silver:** I guess it comes down to when we're ready to have that legislation move forward. It is not something that you can just say you want, and then make it so. We have pressures for legislation for every session. We're contemplating trying to get this done as quickly as we possibly can because, as the member opposite knows, Yukon is one of a small number of jurisdictions in Canada left that does not have the lobbyist registration. Out of the provinces, only Prince Edward Island and the three territories don't have that legislation. Prince Edward Island is moving it through right now and is, I believe, awaiting royal assent as we speak here today.

Again, the registry of meetings that could give the public a better idea of who consults and also what non-government organizations are working on and working for, who in the

government is working with these NGOs and when and why the people are working for Outside companies — again, all very legitimate questions that taxpayers should know and should have the answers to when we are spending taxpayers' money.

I wish that I could give the opposition a concrete answer as to the specific date. We're trying to get it done as soon as we possibly can and I will give credit to the opposition. I know that the NDP, as far as is in my notes, in 2014 put a private member's bill forward for lobbyist registration, so we know that they are interested in it. We are as well. It will be interesting to see what the opposition thinks.

**Ms. Hanson:** The Premier is good at saying the right things about lobbying legislation, but just like electoral reform and political financing, we have yet to see any concrete action on the part of this government. But rather than give the Premier a hard time on this, I would offer some assistance. As the Premier mentioned, I tabled a bill in 2014 that would create a Yukon lobbying registry. The bill was praised by Guy Journeau, one of Canada's top lobbying experts, who said that our bill would be one of the strongest of its kind in the country. I should also point out that Mr. Journeau is a prominent Conservative figure, so this issue is clearly not partisan.

I will be tabling a similar bill at the beginning of the Fall Legislative Sitting. If the Premier's research shows that it should be modified, we would be happy to work with him to come to a compromise. Is the Premier willing to work with opposition parties over the summer months with a view to passing lobbying legislation this fall?

**Hon. Mr. Silver:** We're always willing to work with the opposition members. It doesn't matter if it's lobbying legislation or carbon pricing, or you name it. We're willing to work with them for sure.

I guess I got a sideways compliment in saying the right words, but again, I would remind the member opposite that there are seven more sessions of the Legislature — the 34<sup>th</sup> Legislature — left in our mandate. I'm not saying that we want a delay on this — again, we are working as quickly as possible, but again, we would be criticized by the opposition if we went forward ham-fistedly with any legislation, so we are making sure that we do our due diligence internally and that is what we're doing right now.

**Some Hon. Member:** (Inaudible)

**Hon. Mr. Silver:** Again, we are reviewing the experiences of other jurisdictions.

The member opposite can ask me more questions, as opposed to talking over me when I am giving her answers. We will continue to do this work because this is the good work that we are supposed to be doing in government — to examine the effectiveness of other jurisdictions and to make sure that we have a lobbyist registration that works for Yukoners.

**Question re: Indigenous women's equality fund**

**Ms. White:** The Yukon Aboriginal Women's Council, Liard Aboriginal Women's Society and the Whitehorse Aboriginal Women's Circle sent a letter to the Premier and the



Minister responsible for the Women's Directorate expressing their concerns about changes in funding for indigenous women's organizations, which I have for tabling.

In the letter, the councils indicated that decisions have been made without consultation or discussion with their organizations — and I quote: "This is indicative of a colonial, racist approach that has historically characterized government-Indigenous relationships." Those are harsh words from organizations doing impactful, grassroots equality and anti-violence work that represent indigenous women.

How is this government addressing the inadequate core funding provided to these aboriginal women's organizations?

**Hon. Ms. Dendys:** I thank the member opposite for her question. As Minister responsible for the Women's Directorate, I absolutely honour the work that our indigenous women's groups do on behalf of all Yukoners. I honour all of the women's groups and equality-seeking groups that do work on behalf of all Yukoners.

I am aware of the letter. We discussed it with the member opposite during our budget debate, and I assured the member opposite that I am absolutely working with the indigenous women's groups to resolve the issue at hand. I have met with them once. I have another meeting set with them on the 23<sup>rd</sup> of this month. I have reached out to our federal partners to potentially match some of the funding that we are putting forward.

We have established a new indigenous women's equality fund that will see \$253,000 go directly to the three indigenous women's groups that we have in Yukon, and we are working with our federal partners right now to potentially match some of those dollars as a backstop as we work toward the National Inquiry into Missing and Murdered Indigenous Women and Girls and identify further priorities for this territory.

**Ms. White:** One of the aboriginal women's organizations is now getting less money than they received last year. In their letter to the minister, they cite the Truth and Reconciliation Commission calls to action — and, in particular, that all levels of government commit to the implementation of the *United Nations Declaration on the Rights of Indigenous Peoples* and specifically calls on all levels of government, in collaboration with aboriginal people, to create adequately funded and accessible programs for aboriginal victims of violence.

Inadequate funding does not allow these organizations to focus on their main goal of reducing violence against aboriginal women. What is this government doing to address this funding shortfall?

**Hon. Ms. Dendys:** Thank you for the supplementary question. I have just stated that we have established a new indigenous women's equality fund that will see \$253,000 go directly to our three indigenous women's groups. I am painfully aware that our organizations across the Yukon do work on behalf of all Yukoners with limited resources. We have established a new fund that was long overdue, and we are proud that we are able to provide this funding to our indigenous women's groups.

We're continuing to work with our federal partners to leverage some of the money that we've been able to put forward with their partnership. We'll continue to work with our indigenous women's groups. As I've stated, I met with them once since this matter came to light. I'll be meeting with them again on the 23<sup>rd</sup> of this month. We'll continue to work with them to find options and ways forward.

I am absolutely committed, as the Minister responsible for the Women's Directorate, to work with our indigenous women's groups, and all of our women's groups and equality-seeking groups to find solutions to resource issues that they may have. I assure this House that I'll continue that good work on behalf of all Yukoners.

**Ms. White:** Part of that problem was that this new fund was created without the collaboration of the three groups that I have mentioned. In the letter, the members of the aboriginal women's organizations go on to request two changes to their agreements with this government. The first is an increase in core funding for indigenous women's organizations, and the second is that any future changes to funding only be done in consultation with the organizations that the changes will impact.

The aboriginal women's organizations go as far as refusing the Yukon government funding for the upcoming year, saying — and I quote: "... accepting your current funding offer would only have us acquiescing the colonial treatment of Indigenous Women in the Yukon."

So can the minister confirm whether or not a funding agreement has been reached for the upcoming year with the Yukon aboriginal women's organizations?

**Hon. Ms. Dendys:** Again, we have established a new indigenous women's equality fund. What we have done is taken one-time funding that was in place over previous years of \$150,000. We have put that into a new indigenous women's equality fund. We have taken \$80,000 from the women's equality fund. We have added to that. We have increased to meet that shortfall, which was a discrepancy that we identified as we were establishing this fund to bring it up to \$253,000, which is now core funding for these three indigenous women's groups.

We are continuing to work with our federal partners to look for other funding options. I'm working very closely with these women's organizations to resolve the issues. I did have discussions with members from these three organizations as we were reviewing the funding. I stated this — and I will say it again — during the debate on the Women's Directorate budget: I did not meet with them just prior to establishing this fund, but we're meeting with them now and I'm confident.

#### Question re: Children in care

**Ms. McLeod:** Last week, it was reported that a government whistle-blower was let go as a result of raising concerns about government-run group homes. Earlier this Sitting, the Minister of Highways and Public Works told this House that any public servant who had concerns should bring them forward to his or his colleague's attention.

Just to quote the minister, he said: “I want to say it again: Please, if you have concerns, bring them to our attention so that they can be dealt with.”

Can the minister tell us what his government will do to protect anyone who actually does come forward? Just to clarify, I’m not asking for the process of coming forward but, after someone has come forward with concerns, what will the government do to protect them?

**Hon. Mr. Mostyn:** Again, this is tremendous and I really thank the member opposite, the Member for Watson Lake, for the opportunity to talk about it this afternoon again, because there has been a long silence in this government about this legislation that was passed in 2014 with the unanimous consent of this House, and then utter silence — nothing, no talk at all about it with some exception to the Third Party that was then the Official Opposition — absolutely no talk at all. So I’m talking now and this government is talking now, and we have the Public Interest Disclosure Commissioner in the House today and I’m glad she’s here.

The fact is that we have legislation in place to protect people who come forward with significant issues of wrongdoing. They can come forward to their supervisor, they can come forward to their deputy, they can come forward to the Public Interest Disclosure Commissioner, and they can say to those people, “I have something I would like to disclose.” As soon as they do that, they will be led through the process, and the legislation itself provides protections for those employees who come forward to actually make sure that there are no reprisals.

**Ms. McLeod:** We have asked the Minister of Health and Social Services several times to explain whether or not an internal review was conducted as a result of serious allegations of abuse that she became aware of over two months ago. Over the course of the last two weeks, the minister has given us several dozen different and often contradictory responses. For example, let me just read three quotes from the minister, all from March 21. First the minister said: “We have taken a review of the group homes.” Then the minister said: “We are looking at doing an internal review.” Finally, she said that we are not doing an internal review of ourselves. That was all on the same day, and it’s becoming clear that the minister does not have a handle on what is happening in her own department.

On Friday, we did learn from the deputy minister that the government is doing an internal review of all complaints over the last three years. Can the minister tell us if this internal review was launched before or after she had learned of the specific allegations reported to have come forward in mid-February?

**Hon. Mr. Mostyn:** I don’t know what that question was. It sounded like a new question to me but we were talking about public interest disclosure of wrongdoing and so I’m happy to keep talking about that this afternoon. I don’t think it has had enough conversation in the last little while and I think it deserves a little bit more.

To the member opposite’s questions about how things are going and how we protect our civil servants, our hardworking

professional civil servants, I can tell this House that we have had a lot of outreach from many individuals in light of the events of the last couple of weeks and we’re seeing people come forward now with their concerns to us, to our deputies, to our managers — and it gladdens my heart to see that courage from our public servants to come forward and actually start this discussion in an open and honest way.

These are early days, Mr. Speaker. Trust is earned; it is not just given. We are working very hard to try to establish that trust and to make sure that people have the confidence to come forward and bring their concerns forward to their supervisors, to their deputies, to the Public Interest Disclosure Commissioner, and make sure that their concerns are heard. We are talking about — in this case — children in care, but there are several other issues that need to be addressed, and I think that is going to happen soon.

**Ms. McLeod:** Just to connect the dots for the minister opposite, we are talking about group homes in Yukon. We did not get a response to the last question so we still don’t know whether an internal review is happening or if it is not happening. If there is an internal review that the deputy minister spoke about, will it be made public?

**Hon. Ms. Frost:** I would be happy to speak on the issue around the allegations — multiple questions, of course, but specifically around the allegations that were brought forward and the concrete actions that have been taken. We have made it quite clear that, on the actions with respect to an internal review by the government and by the department, we have multiple things happening, as the member opposite knows. We have raised it here in the Legislative Assembly numerous times. We have an external review by the Child and Youth Advocate office. We are also looking at the 2014 Auditor General’s report on group homes. We are looking at the recommendations and assessing that. We are also looking at the incidents and the outcomes. Those things are being analyzed and categorized by theme to ensure that we address some of the systemic concerns that have been brought forward by the numerous reports and the allegations.

Over the last six months, we have done a lot to improve — to really look at improving the services through the transitional support team. We have ensured that all of our staff are competent and well trained, and that we have addressed fundamental core training for all of the staff. We will continue to case manage as it comes forward, and we encourage everyone to participate.

**Speaker:** The time for Question Period has elapsed.  
We will now proceed to Orders of the Day.

## ORDERS OF THE DAY

**Hon. Ms. McPhee:** Mr. Speaker, 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):** I will now call Committee of the Whole to order.

### Motion re appearance of witnesses

#### Committee of the Whole Motion No. 4

**Hon. Mr. Pillai:** I move:

THAT from 3:30 p.m. to 5:30 p.m. on Monday, April 16, 2018, Joanne Fairlie, 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 relating to the Yukon Development Corporation and Yukon Energy Corporation.

**Chair:** It is moved by Mr. Pillai:

THAT from 3:30 p.m. to 5:30 p.m. on Monday, April 16, 2018, Joanne Fairlie, 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 relating to the Yukon Development Corporation and Yukon Energy Corporation.

*Committee of the Whole Motion No. 4 agreed to*

**Chair:** The matter now before the Committee is general debate on Vote 18, Yukon Housing Corporation, in Bill No. 206, entitled *First Appropriation Act 2018-19*.

Do members wish to take a brief recess?

**All Hon. Members:** Agreed.

**Chair:** Committee of the Whole will recess for 15 minutes.

*Recess*

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

### Bill No. 206: *First Appropriation Act 2018-19* — continued

**Chair:** The matter before the Committee is general debate on Vote 18, Yukon Housing Corporation, in Bill No. 206, entitled *First Appropriation Act 2018-19*.

#### Yukon Housing Corporation

**Hon. Ms. Frost:** As Minister responsible for the Yukon Housing Corporation, I rise today to present the 2018-19 capital and operation and maintenance budgets for the corporation. Before I begin my address, I would like to

introduce the officials who will assist me today: Pamela Hine, president of Yukon Housing Corporation and Luzelle Nagel, manager of finance for Yukon Housing Corporation.

Our government is fully committed to the ongoing implementation of the Yukon housing action plan for Yukon. This plan is based on a holistic approach to the housing continuum and embraces three fundamental pillars: housing with services, rental accommodations and home ownership.

For the next few minutes, I would like to present, through this budget, the Yukon Housing Corporation's pivotal role in championing the Yukon Housing action plan. Housing with services is a distinct foundation pillar, since it integrates support specifically designed to help an individual or family, who are then supported with appropriate housing.

The budget contains \$2.7 million in funding so that Yukon Housing Corporation can construct a 16-unit Housing First building to address homelessness in Whitehorse. Utilizing our one-government approach, the Department of Health and Social Services will be developing service delivery for future tenants of this building. Through the Housing First model, our government is addressing a real and serious need within Yukon's housing continuum. We will be providing housing with services to our most vulnerable population, who are in the greatest need.

When it comes to the second pillar of the housing action plan — rental accommodation — the Yukon Housing Corporation operates 869 social and staff housing units in 14 Yukon communities. As such, we have a significant housing portfolio to maintain, as well as increasing demand for new housing.

In addition to its \$900,000 budget for renovation and rehabilitation of social housing, the Yukon Housing Corporation will receive approximately \$1.4 million in new funding this year to initiate energy-efficiency retrofits. Funding for this new initiative is cost shared between Canada and Yukon. For those social housing units receiving those energy-efficiency retrofits, there is an anticipated reduction in greenhouse gas emissions and fuel costs. Projects will occur in many Yukon communities, which in turn will provide employment and economic opportunities.

Yukon Housing Corporation operates 169 staff housing units in 13 Yukon communities. In addition to its \$900,000 budget for renovation and rehabilitation of staff housing, this budget contains \$523,000 for energy-efficiency retrofits to staff housing.

In Carmacks we are moving forward with the construction of two seniors' duplexes. These units will be energy efficient and will be fully accessible to enhance opportunities for aging in place. This budget contains \$1.2 million for this worthwhile project, enabling seniors to remain in their communities, which is vital to healthy and ongoing community sustainability.

Yukon Housing Corporation is continuing to re-profile single, detached homes into duplexes. This provides the opportunity to upgrade the buildings, while simultaneously increasing our housing portfolio. This budget contains \$600,000 for social housing conversions.

Priorities will be given to projects that support aging in place within the communities and \$600,000 for staff housing unit conversions will support housing for mental health workers in rural Yukon.

Finally, this budget contains up to \$6 million for additional affordable housing projects to reduce our social housing wait-lists and for third-party proposals for affordable housing projects.

By including this funding in Yukon Housing Corporation's main estimates, it provides us with flexibility in addressing affordable housing needs for Yukoners. I expect that throughout the coming fiscal year, announcements will be made regarding the construction of new rental units.

I am very pleased to announce that this budget contains approximately \$5 million of funding for Yukon Housing Corporation asset management improvements as well as up to \$9.9 million for new construction. Successful implementation of the housing action plan is also dependent on collaboration with partners — in particular, with First Nations, municipal governments and the private sector.

A number of programs and associated budgetary allocations are contained within Yukon Housing Corporation's budget and are designed to maximize our collaboration and partnership opportunities. Our government has allocated \$1.5 million to the First Nation housing partnership program, which enables First Nations to access grant funding for the construction of new units or the repair and upgrade of existing units. During the 2017-18 fiscal year, both the Kluane First Nation and the Little Salmon Carmacks First Nation were approved for funding under our First Nation housing partnership program. We look forward to working with other First Nations on project proposals and capital contributions to housing solutions.

Again, this year, we're providing Yukon Housing Corporation with \$1.45 million so that they may continue to offer the affordable rural rental construction program. This program offers a grant of up to \$50,000 per affordable rental unit constructed, to a maximum of \$500,000 per project. This program aligns itself well with the municipal matching rental construction grant program, which is available in multiple Yukon communities following the implementation of the municipal incentives. The budget for this program is \$1 million with respect to both the rental and home ownership pillars of the Yukon housing action plan.

I am pleased to confirm the implementation of a new program while continuing to offer Yukoners access to program funding so that they may purchase or repair their home. This new program is called the developer build loan program and is designed to provide interim construction financing to small and medium developers so that they may construct new modest units for rent or homes for sale. The budget for this new program is \$2 million, which is fully recoverable.

The first mortgage program will have a budget allocation of \$4 million, the down payment assistance program, \$500,000 and the homeowner build program, \$1.25 million.

As such, there is almost \$6 million available to potential new renters and homeowners.

In addition, we are offering the home repair program, which has a budget of \$1.7 million, so that homeowners can afford to make improvements, important repairs and upgrades to their homes. Eligible expenditures include, but are not limited to structural, electrical, heating, accessibility features and energy efficiency. We are working with Yukoners to provide affordable options for critical home repairs and enhancements that allow them to age in place.

In summation, our government supports the attainment of the three pillars in the housing action plan. This budget specifically addresses identified needs contained in the housing action plan and we are funding programs and services that will support housing with services, rental accommodation and home ownership.

We are funding programs and services which will support housing with services, rental accommodation and home ownership. I would like to provide members with a more comprehensive line-by-line explanation of the Yukon Housing Corporation's expenditures and recoveries.

For 2018-19, the total operation and maintenance expenditure of \$19.5 million has been allocated to providing housing services to Yukon residents. An additional \$30.8 million has been allocated for capital outlays to assist Yukoners in meeting their housing needs.

For 2018-19, the total rental revenue and operation and maintenance recoveries are estimated to be \$12.5 million, including recoveries from third parties and from the federal government. The capital recoveries are estimated to be \$12.9 million. We also have \$9.3 million in recoveries from loan programs. Although recoveries from loan programs are recognized in the current fiscal year, the cash flow is only recovered over the life of the loan term or earlier upon discharge.

For 2018-19, the net grant receivable from Yukon territorial government is estimated to be \$15.7 million. With respect to the operation and maintenance expenditures in 2018-19, we have \$1.4 million, which has been allocated for the Executive branch, which includes the president and vice-president's offices and support services.

Under Corporate Services, we have \$3.7 million allocated for the Corporate Services division, which consolidates the Finance, Systems and Administrations, Policy and Communications and Human Resources branches. The total includes \$655,000 for long-term debt payments.

Under Tenant Management, we have \$8.3 million allocated for the Housing Operations branch, which provides tenant relations services for social and staff housing programs.

Under Capital Development and Maintenance, we have \$5 million allocated for Capital Development and Maintenance, which includes project management services on construction and capital upgrades and maintenance on housing units.

Under Community Partnering and Lending, we have \$1.1 million allocated for the Community Partnering and Lending branch, which provides industry training and

awareness, housing partnerships as well as grants and loans and administration services.

The significant change in the operation and maintenance budget with the 2018-19 total appropriation of \$19.5 million is broken down as follows: we have an increased request of \$42,000 for personal costs per the collective agreement, which is \$13,000 for computer hardware, which is a transfer from capital; and \$100,000 to co-chair and host the federal-provincial-territorial meetings, which is recoverable from the provinces and territories. You will see a decreased amount of \$100,000 for allowances for concessionary loans used for agreements with groups like Habitat for Humanity, and \$92,000 for long-term debts reaching maturity.

Under capital expenditures, Repair and Upgrade for the 2018-19 year, we have \$1.7 million allocated for the home repair loan program to assist eligible homeowners to a maximum of \$50,000 per repair to existing homes. We have \$100,000 allocated for potential subsidies to home repair loans and \$600,000 allocated for forgivable home repair loans.

Under the home ownership program, we have the home first loans initiative — we have \$4 million which has been allocated for first mortgage loans, which are available to assist eligible Yukon residents to obtain home ownership. The maximum amount of loan — now adjusted annually to market averages and is currently \$428,000, with a minimum of 2.5-percent down payment.

The down payment assistance loan sees \$500,000, which has been allocated for this program which will assist eligible clients with their down payments.

We also have the owner build loan — in that budget, we have \$1.25 million, which has been allocated for owner build loans, which are eligible for Yukon residents to build or manage construction of their own projects. Additional O&M funding is used to provide education and technical training programs for clients.

Community Partnering and Lending section — we have a municipal matching rental construction initiative. Under that initiative, we have \$1 million, which has been allocated to the municipal matching rental construction program, a supply-side incentive to increase quality of purpose-built rental housing for apartments and secondary suites. We also have a developer build loan program and we see in there \$2 million, which has been allocated toward construction financing for eligible Yukon developers building modest rental units or homes.

Investments in affordable housing — we see \$4.5 million, which has been allocated for affordable housing programs, which is fully recoverable from Canada Mortgage and Housing Corporation. Of this, \$1.4 million is for affordable rental housing construction, \$1.2 million for the emergency repair program, \$1.5 million for First Nation partnership program, and \$400,000 for victims of violence program.

We have a rental and secondary suites program — for 2018-19, we have \$525,000 which has been allocated under Rental and Secondary Suite Loan, which is available to assist eligible homeowners and private sector owners of rental accommodations to upgrade and build new rental units.

Northern Housing Trust — we have \$490,000 which has been allocated, with \$250,000 in Rental Housing Allowances, and \$240,000 toward Rural Projects.

We have the Renovation and Rehabilitation Existing Stock — we have \$900,000 allocated to that for renovations and rehabilitation of social housing.

We have Energy Retrofits which will see \$1.4 million; under our Unit Conversions initiatives section, we have \$600,000 which will see social housing units — addressing conversion from single-family dwelling to duplexes. We have the section, Investment in Affordable Housing, which I'm sure I will cover with further questions.

Social housing projects — under capital expenditures and staff housing, we will work toward retrofits and renovations — energy retrofits and conversions — which will see reduced costs in our overall budget, as well as energy efficiencies and more housing units coming online in 2018-19.

We have some prior year initiatives and projects that we will see through to this year — our various IT systems and our internal projects. We have revenues and recoveries from the federal government. Clearly, we are looking at the federal national housing mandate that we just signed off on. We are entering into negotiations with the federal government. We have various initiatives there that we're hoping to pursue with respect to direct access to those initiatives that were recently announced and we will see that evolve through our direct bilateral negotiations. We just finished our territorial, federal and provincial meeting and we're looking at a direct bilateral — initiating that in the very near future.

Investment in affordable housing and third-party recoveries will see some recoveries from CMHC. I have gone through this in detail already, so I'll not highlight that, but the importance is the northern housing fund for which we have \$2.4 million which is recovered from Canada in the northern funding agreement. This has yet to be allocated, but we will see that in the budget.

We have low-carbon economy fund loan programs. We do have some initiatives around assisting seniors with the Housing First program, which is in collaboration with Yukon Housing Corporation and Health and Social Services. We will see continued support around that collaborative effort. I think that as much as we can cooperate with our partners, we will see advancements in addressing some of the challenges that we have seen historically in the Yukon around seniors' homes, the housing industry, affordable housing and social housing — really looking at our partnerships as we move forward — and, of course, we certainly want to look at enhancing our initiatives from previous years in the municipal matching grant, home repair loans, and our continued investments in affordable housing as well as social housing.

As a note, we do want to look at our tangible assets, but we also want to look at resources — housing stocks that are, I guess, aging out of the system right now — that are 30-plus years old that we need to put resources and funding into to keep the stocks there for a longer period of time. So we are putting efforts there.

I just would like, before I conclude my presentation, to thank the Housing Corporation Board of Directors for their dedicated time and for developing the five-year strategic plan. I know that they put a lot of effort into that and also would like to really acknowledge the former chair, Nelson Lepine, for his efforts in guiding us and leading us through this last year with his leadership and, of course, his interest and background in social and affordable housing.

**Ms. Van Bibber:** I too would like to welcome the departmental officials to this House today.

In Question Period, the Premier told us that there was \$6.6 million allocated for affordable housing in this budget; however, the budget highlights say there is only \$6 million allocated.

Can the minister clarify which of those two numbers is accurate — the \$6.6 million mentioned by the Premier or the \$6 million mentioned in the budget highlights?

**Hon. Ms. Frost:** Thanks for the question. For clarity, I would like to just highlight that we have, as noted by the Premier — he did indicate that we had in excess of \$40 million allocated in the overall budget. I have highlighted some of the key areas around what we are doing through Yukon Housing Corporation — a very specific breakdown of the numbers, but I do want to say that in our budget for this year in total we have \$39.7 million invested in housing and new initiatives in Yukon.

We have the social and affordable housing which is the \$6 million that the Member for Porter Creek North just highlighted. Of that, we also have allocated \$2.7 for Housing First, which is the affordable housing initiative. We have the new seniors social housing unit in Carmacks which is \$1.2 million and we have the improvements and conversions from single units to duplexes for \$600,000. We're also looking at converting staff housing from single units to duplexes as well and that's another \$600,000 allocated there. In the energy retrofit and low-carbon fund under the social housing envelope, we have \$1.81 million. In the energy retrofit low-carbon fund for staff housing, we have \$392,000 and then renovate and repair of existing stocks — those are more general repairs there — we have \$900,000 allocated to modernize and upgrade, renovate and repair staff housing.

The list goes on. We have our home repair loan program which is \$1.7 million. We have energy retrofit again for \$523,000 and, of course, there is the emergency repair initiative which sees \$1.15 million. The municipal matching grant is \$1 million. The First Nations housing partnership is \$1.5 million and affordable rental construction is \$1.45 million. The total of that budget is just over \$23 million, and then we have lot development and partnerships on lot development throughout the Yukon actually for another \$16.8 million.

**Ms. Van Bibber:** That was a rundown that you had just given previously, but that's fine.

Regarding the \$6 million for affordable housing referenced in the budget highlights, can the minister provide a breakdown of where and how this money is being spent, and

also is this all new money and programming that did not exist last year?

**Hon. Ms. Frost:** To the point, the \$6 million is new funding, and the objective is for the corporation to reach out and seek new leveraging — additional resources — and to find partners in the Yukon as well — throughout the Yukon.

We have extended our investment in the affordable housing agreement with Canada Mortgage and Housing Corporation and, for 2018-19, they are providing us with \$2.4 million in the northern housing fund. Of course, we're really working with our local housing partners, developers and the NGO groups, as well as the private sector, and looking at capital grant incentives to leverage construction financing for more social and affordable housing throughout the Yukon. We know that there is a social housing wait-list in the Yukon and some pressures in some key areas in the Yukon, so we really want to focus our efforts and energy there for quicker access and partnerships for social and affordable housing units. We're looking to also try to modernize some of the buildings we do have so that we can create more units throughout the Yukon.

Hopefully that answers the question.

In further supporting affordable housing, we clearly want to look beyond the \$6 million and look at what the federal government has on its books. The federal government made an announcement and, through bilateral discussions, we will venture into our negotiations with them to seek and leverage additional resources.

**Ms. Van Bibber:** In your preamble, Minister, you gave a figure of \$16-plus million for lot development. Is this mainly in the Whistle Bend area? Which rural areas are also getting lot development in this coming year?

**Hon. Ms. Frost:** I'm going to go on a little bit about the need to work with Yukon First Nations, given that in some of our communities — like Mayo, for example — they have indicated that there are lot shortages. We recognize that there is a great need and we have worked with Yukon First Nations over the course of the last five years on a lease arrangement — land leasing arrangements — under the self-government agreement and given opportunities for them to allow leasing of lands.

We know that, under the self-government agreement, all of the lands acquired by Yukon First Nations under category A negotiations can never be sold or leased because it is owned by the government, not by individuals. There was a need, and the First Nations are working really diligently to get that process initiated, and that is to look at lease opportunities within their communities. It is really important for us to work with our partners.

The other note that I wanted to make is that the \$16 million is allocated for Whistle Bend. There is \$1.8 million for rural Yukon lot development. We have not yet identified where that is. That will be defined by where we can find the lots in communities — like Mayo, for example. I know that Watson Lake has identified shortages as well in terms of identifying readily available lots to develop for

affordable housing and social housing. It is very important that we work with our partners.

Energy, Mines and Resources is the lead on lot development in conjunction with Community Services on the services associated with those lots. What we attempt to do is work through a one-government approach with our partners to address how we can advance easy and quicker access to lot development within rural Yukon, recognizing that some communities are unincorporated, some communities are incorporated, and some communities are solely owned by the First Nations. That means that we see pressures and we need to work with the partners there to identify some of the challenges to try to resolve that. This \$1.8 million will hopefully allow us to do that.

**Ms. Van Bibber:** When a person is put on a wait-list for social housing, it is possible for their situation to change over the course of time that they are on this wait-list. I understand that the wait-list fluctuates all over the place. They may move to an entirely different list altogether, depending on their life situation — whether they have more children, whether they have current adequate housing or are couch surfing. Can the minister outline some examples where the government would consider the movement of a person or a family to a place higher on the priority list due to various life situations — other than domestic violence?

**Hon. Ms. Frost:** With respect to the wait-list, I note that we have spoken about this multiple times in the Legislature. We don't have as many pressures in rural Yukon, but we see a lot of pressures in Whitehorse. We get a lot of our residents coming from our communities to Whitehorse, so we are really working hard to identify that and to try to put the measures in place.

Part of what we have done is work with those who are in imminent need, as identified. If you are in a domestic violence situation, then we try to provide supported housing and supports to get the families to the shelter they need. Really, it is around the severity of need for social housing. It is assessed by a system that has been there, I understand, for a very long time. I'm noting that it is not the most efficient or fairest process. I am hearing that consistently, and so the push this year is really to modernize that and look at getting the feedback, adjusting accordingly and looking at the factors that accompany the application.

Our vision is really around the vulnerability of the clients. Right now we're going out on the point-in-time count in Whitehorse to look at homelessness. I'm happy to say that I'm going out this week with my DM and another Cabinet colleague to participate in that because it is important to see first-hand. In order to understand and work on the challenges, you need to be there and participate.

We are looking at modernizing our legislation, but we also recognize that there is a need and we want to ensure that we address the needs. When we have clients coming in from rural Yukon who are, I guess, higher on the priority list — in that they have medical disability and need to get into Whitehorse to be near the facilities — then they certainly would find their way to the top of the priority list, much like

we would find in a domestic violence situation where that would be the priority with Yukon Housing Corporation, of course, and with Health and Social Services. There are initiatives that have been established through rent support and supplements that are there for the families to ensure that we provide them the housing that they need.

I believe the question was also asked: Is housing a human right? Certainly, everyone has a right to affordable housing. Everyone has a right to housing, and we want to make sure we address that, no matter what situation comes before us in Yukon Housing Corporation. We also really need to focus a lot on making sure that the clients stay in their communities and the shelters, and that the affordability is addressed in the communities.

**Ms. Van Bibber:** On that same note, there was a tender released in February for the evaluation of the social housing program. This tender closed on March 13.

Can the minister please confirm the status of this tender and when we can expect a final report?

**Hon. Ms. Frost:** With respect to the report that will be concluded in June, it will, I understand, be a public document that would be shared. The social housing tender is an evaluation that is required under CMHC. It is an initiative that they are doing; the proponent hired is doing the assessment, and the summation of that will be made available in June.

**Ms. Van Bibber:** In December, the Yukon government announced funding in partnership with the Government of Canada to four Whitehorse organizations in order to help victims of violence gain and maintain affordable housing. Can the minister expand on this announcement and, in particular, whether this funding will be provided beyond 2018, whether other organizations are able to apply for similar funding and whether rural Yukon organizations will be able to access funding in the future?

**Hon. Ms. Frost:** The funding has been provided through CMHC historically. We have allocated in this year's budget the \$400,000 that I had mentioned earlier for this project. The objective is to ensure that, through our bilateral negotiations, we see that continue on in future years as there definitely is a need, but it also is essential that we work with the women's groups — the three women's organizations in Yukon — and, of course, the Victoria Faulkner Women's Centre and the other organizations to ensure that we provide in-time service and supports that are very much needed in the Yukon. This funding will allow for that to happen. I certainly want to see it continue as well so we will ensure that we take that to future negotiations.

**Ms. Van Bibber:** I didn't hear whether the rural Yukon organizations also would be able to access similar funding.

**Hon. Ms. Frost:** The funding is an application-based funding initiative, so if there are new projects or initiatives in the Yukon, they would go through the submission process.

**Ms. Van Bibber:** There is over \$1.4 million listed in this year's budget for energy retrofits on social housing and also another \$500,000 for retrofits on staff housing. Can the minister please provide a breakdown of this amount, where it is going to be spent, and what energy retrofits will be done?

Can the minister also provide further information about future plans for all Yukon housing buildings?

**Hon. Ms. Frost:** The Yukon Housing Corporation proposed projects for energy retrofits. We have a number of units, and I will provide that for the member opposite: in Carcross, we have two single units; in Carmacks, we have four; in Dawson City, we have two single units and 16 duplexes; in Destruction Bay, there is one; in Faro, we have four units; in Haines Junction, there are four; Mayo will see five; in Old Crow, there are two duplexes; in Pelly Crossing, there is one; in Ross River, we will have five; in Teslin, there are two single and two duplexes; in Watson Lake, there are 10 duplexes; and in Whitehorse, there are 10 duplexes as well as nine triplexes.

I also have a list of where those units are. I believe the member opposite wanted the list so I can go through in detail where these are located and how much money is being allocated to each one of those units. We have a total for the whole Yukon Housing Corporation project calculation for the energy retrofit initiative for the total of 79 units. On the question with respect to energy retrofits for social and staff housing, we had \$1.81 million. For staff housing, it was \$392,000. With regard to all Yukon Housing Corporation housing units in the future, I think the objective with the five-year strategic plan that the board of directors just went through is really to look at the long-term sustainability of our units. Also, we know that a lot of our units — 60 percent, I understand — are over 30 years old, which means that there is not a lot of life left in them, and we are seeing some major pressures. What we are trying to do is put resources into them to continue to sustain them for a longer period of time. They clearly have not seen the love they needed over the course of years. We also want to ensure that we put more emphasis on affordable housing in our communities and in finding our partners. I can, if the member wants to go through the list of where all of these units are located — it is a multi-page list — or we can be okay with what I just provided. I would be happy to provide more information at a face-to-face time if that is the desire of the member.

**Ms. Van Bibber:** If the minister could just table a return, that would be fine. Thank you.

The MLA for Kluane has committed to his riding to continue to advocate for more seniors housing in Haines Junction for Kluane residents. In a legislative return, the minister responsible committed to travelling to Haines Junction to listen to residents' housing concerns and insights to help inform policy and decision-making. There is still no commitment from this government to work on phase 2 of the Haines Junction seniors housing facility.

Can the minister confirm whether she met with residents and what the outcomes of those conversations were? By residents, I am referring to the seniors society and the elders, as well as the front-line workers.

**Hon. Ms. Frost:** I wanted to acknowledge that clearly there is a need in all of our rural Yukon communities to address seniors housing. The mandate from this government — and my mandate — is to look at social housing and

affordable housing and to look at aging in place and collaborative health care in rural Yukon. We have allocated resources within the budget to look at a home first initiative. That is to keep our elders — and I have been asked that question: What is an elder?

In the First Nation community, they refer to the older adults as elders. I will differentiate time to time between an elder and a senior — so one and the same. The seniors in the community — to keep them in their homes longer and putting the resources in accessibility. I have highlighted some of that in this budget, and that is not just to look at seniors housing specific to building complexes for seniors; it is really about how we keep the seniors in their homes longer.

With the home first initiative funding, in partnership with Health and Social Services, we are also working on the home care front to ensure that we provide continued care for our seniors in rural Yukon communities. We are seeing higher pressures elsewhere in Yukon so we have recognized that the Bureau of Statistics has given us some data that we are working on, and that is that, by 2030, we will see 30 percent of our population in excess of 55 years. They did say that, by 2020, something like 20 or 25 percent of our population will be over 60, which means that we have a lot of work to do in a very short time to ensure that we provide appropriate housing and supports for our seniors in rural Yukon communities.

Recognizing that, we do keep an in-time list of housing needs in all of our communities. I have a whole list but, with respect to Kluane and Haines Junction, we have one senior on a wait-list, which perhaps demonstrates that there is not really a need there. If that one elder is there, we can work with the individual and see if there are any accommodations that we can make to keep them in their home longer or put some wrap-around supports with the home care initiative.

We also want to continue working with Health and Social Services in that regard to ensure that, with whatever we do, we provide really essential supports and services. As we go ahead and seek our partnerships, we will make sure that this happens.

With regard to whether I met with individuals in Haines Junction, I did not meet with specific individuals in Haines Junction. I have met with the Champagne and Aishihik First Nations. I am going there next weekend — I believe it is on the Saturday of next weekend — and we are opening up the mental wellness hub there. I will be there earlier in the day and I will make an attempt at that time to meet with the individuals. As the member knows, I have been tied up for the last two months. During Question Period, the question did come up as to if I was going to meet with Haines Junction, and I still intend to do that.

Last fall, I travelled down the highway to Beaver Creek and met with First Nations there. I met with Kluane First Nation and also with Champagne and Aishihik First Nations and I will continue to host the town-hall type of meetings in these communities.

We have the seniors meeting in June — I believe it's in June. There is a gathering of all the organizations — I guess the elders' organizations here in the Yukon — to help us to



better streamline and address their core needs and giving us the input that we much desire and need to help me better address some of the core needs and services. There are multiple groups in the Yukon and we'll make sure that the message gets out to the community and residents of Haines Junction.

**Ms. Van Bibber:** With respect to the existing social housing buildings, can the minister give a breakdown of the rental payment structure for residents and/or new residents applying for housing?

**Hon. Ms. Frost:** The allocation has been there for a long time and it is based on 25 percent of your gross household income.

**Ms. Van Bibber:** Can the minister provide, perhaps in the form of a legislative return, the number of people on wait-lists for social and senior housing in each community as well as the number of units available in each?

Further, can the minister provide how many units are currently vacant in each community, if any, whether they are awaiting repairs, and when they are scheduled to be filled?

**Hon. Ms. Frost:** I would be happy to provide that information, but let me just provide a quick synopsis of where we are. We do have a list as of January 31, 2018, that gives us all of the social housing units we have in the Yukon; also the non-senior units and then those that are currently under repair.

I am going to pick a few of the communities and, just for the record, we do keep all of that information and in-time information. In Dawson City, for example, we have 58 social housing units, four seniors units, plus, of course, we have McDonald Lodge. We have 58 active units we currently have seniors allocated for. That is one example.

In Old Crow, we have absolutely no social housing or seniors housing. All of the residents from the community of Old Crow are either in McDonald Lodge or Macaulay Lodge or one of the other units.

We also know that in Pelly Crossing, there are no units, social or affordable accommodation, although responsibilities fall 100 percent on the First Nations, given that they are an unincorporated community. It is essential that we look at balancing these numbers as we look at modernizing our initiatives across the Yukon. Of course, in our larger communities like Watson Lake, we have a total of 46 social housing units and 34 non-social units so senior units — or sorry, 12 senior units.

We have a total of — we have two on the repair list and none out of service. None of our units are out of service, with the exception of one in Whitehorse. I can provide more details, but I really just wanted to highlight the fact that some of the imbalance in this list is that some communities don't have affordable housing or social housing or seniors housing and so that is why it is essential that we look at rural communities that have needs and that the needs are well-balanced. The conversation that we are going to have with the seniors in June will really help to drive this new initiative and the new policies so that we can ensure that we have transparency and fairness.

The other highlighted note is the same thing in Destruction Bay, where we only have two units and there is nothing there for seniors affordable housing or social housing.

**Ms. Van Bibber:** The department has allocated \$1 million in grant funding to continue the municipal matching rental construction program. It appears there has been a good response and it has been very successful to date. There seems to be a need here in Whitehorse, as well as in the communities, for rental units of any kind. Can the minister confirm how much funding was allocated to this program last year and whether there was any funding that can be rolled into this year's funding? Further, can the minister confirm that this funding will carry on in future budget years?

**Hon. Ms. Frost:** I understand from my colleagues here that the \$1 million was — the uptake was taken for all of the resources. What we committed to last year — the funding initiative was coming to an end and this government committed the \$1 million to continue to carry it forward. It's again in the budget for this year. My hope is that it is going to find its way into the budget for future years, given that it's clearly providing necessary supports to our partners in rural Yukon communities and a demonstration through the Ta'an Kwäch'än Council Da Daghay Development Corporation initiative and the Klondike Development Organization.

As well, in the community of Watson Lake, I believe there is a duplex building that went up there and that was through the municipal matching grant — same thing with Little Salmon Carmacks. We want to continue to enhance that and get that message out to communities that the resource is there and we want to continue to fund and support the projects that come forward.

**Ms. Van Bibber:** Can the minister provide any statistics on how much money is borrowed through the rental suite/secondary suite loan program? How many living suites have been constructed through homeowners applying for loans through this particular program?

**Hon. Ms. Frost:** I am not able to find that information at my fingertips with respect to rental suites, but I would be happy to come back with that information.

**Ms. Van Bibber:** Can the minister provide the number of loans that were offered through the down payment assistance program since it began and whether the program has experienced an increase in applications over the years?

**Hon. Ms. Frost:** Since the beginning of the loan initiative, we have seen 70 applicants. My understanding is that has decreased significantly — the loans for the down payment assistance program. Over the years, we have seen approximately 70, and that has decreased significantly. My understanding is that due to affordability and accessibility, it has not seen much of an uptake in recent years. That will be one of the programs that perhaps will be re-profiled or assessed for efficiency. We are certainly going to look at that. We can assure the member opposite that if we are seeing some resources that could be utilized elsewhere with respect to affordability, then we will certainly look at that.

**Ms. Van Bibber:** In early February of this year, the Official Opposition sent a letter to the Minister responsible for

Yukon Housing Corporation asking if the corporation could look at the possibility of providing radon test kits to homeowners who are living in subdivisions south of Whitehorse that have tested high levels of radon in those areas and to offer a support program to provide funds to those whose levels warrant mitigation.

We have not yet received a response from the minister. Could she confirm whether any steps have been taken with respect to these requests?

**Hon. Ms. Frost:** With regard to radon testing kits for subdivisions in rural Yukon or rural communities, the Yukon Housing Corporation doesn't do radon testing. It is done by the private sector. What we do is provide for the education around radon and radon testing and we work with our partners. With the private sector centres, my understanding is that they are out there doing the testing. What we do through the Yukon Housing Corporation is, if there are high levels of radon detected through the private sector and through the radon testing, then the individual homeowner will then be assessed and can directly access the home repair program to do the mitigation.

The question earlier was around accessibility of resources — how do we prioritize? This is one of the areas that would certainly find its way on to the priority list of initiatives. If we get high levels of radon detected in one of these units or homes, we certainly would like to hear about it and certainly would like to work with the homeowner to look at mitigation measures using the home repair initiative.

**Ms. Van Bibber:** There have been decreases made to the funding for both the first mortgage loan program and the owner build loan program since the 2016-17 budget year.

Can the minister please explain why funding levels have decreased and whether the programs have been fully subscribed over the past two years?

**Hon. Ms. Frost:** What we have seen in this year's budget is the first mortgage homeowner bill converting over to the developer build initiative, so it is a new initiative, and a rollup of that into this broader envelope to allow a broader scope of access. It is a new initiative. With respect to the past year, we have provided loans to 68 Yukon households. With the recent launch of the new developer loan program, we will see this initiative wrapped up in that. It is not decreasing or doing away with the initiative, but it is allowing us to look at a broader scope.

**Chair:** Seeing the time, Ms. Frost, would you like to move that the Chair report progress?

**Hon. Ms. Frost:** Mr. Chair, I move that you report progress.

**Chair:** It has been moved by the Hon. Ms. Frost that the Chair report progress.

*Motion agreed to*

**Chair:** Pursuant to Committee of the Whole Motion No. 4 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*

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

### Appearance of witnesses

**Chair:** Pursuant to Committee of the Whole Motion No. 4 adopted on 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, and I would also ask the witnesses to refer their answers through the Chair when they are responding to the members of the Committee.

*Witnesses introduced*

**Hon. Mr. Pillai:** The witnesses appearing before Committee of the Whole today are: Joanne Fairlie, who is the 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.

I also would like to take this opportunity to thank, as well, Janet Patterson, who is here with us today and has been a key member of the team at Yukon Energy Corporation for a long time. We certainly appreciate everything that she does for the team.

Before I turn the floor over to our witnesses, I would like to acknowledge the importance of giving both the Yukon Development Corporation and the Yukon Energy Corporation an opportunity to appear as witnesses before Committee of the Whole to answer questions about the corporations. As you know, they appeared here last spring. We believe, as a government, that it is important that corporations appear annually in this House to update the public on their activities. Of course, this has not always been the case in recent years, when the appearances of corporations were sporadic, to say the least.

Electricity is fundamentally important to all citizens, business owners, investors and governments. Both corporations work together to ensure that the necessary electrical infrastructure exists and is maintained for the safety and prosperity of all Yukoners. Yukon Development Corporation's mandate is to develop and promote the development of energy systems and the generation, production, transmission and distribution of energy.

While much of this is done through its subsidiary, Yukon Energy Corporation, Yukon Development Corporation is also looking at new approaches to renewable energy development and funding for innovation. As outlined in my mandate letter, the Yukon Development Corporation is also working on establishing a \$10-million fund to support economic

diversification and innovation. The corporation will also be part of a broader government commitment to look at ways to increase the availability of renewable energy solutions while reducing their reliance on non-renewable sources and reducing energy consumption.

With that, I will conclude my introductory remarks and turn it over to our witnesses for questioning today.

**Chair:** Would the witnesses like to make opening remarks?

**Ms. Fairlie:** It is our pleasure to appear this afternoon representing the Yukon Development Corporation. As the sole shareholder of the Yukon Energy Corporation, Yukon Development Corporation is responsible for ensuring that Yukon Energy effectively fulfills its responsibilities while operating within, and responding to, government objectives.

We continue to work with our subsidiary on a continuous cycle of improvement with respect to accountability and corporate governance and with a number of Government of Yukon departments to ensure that activities align with the Yukon government's objectives and direction.

As the minister indicated, this year, we have launched the innovative renewable energy initiative, a \$1.5-million program that will encourage and support the development of renewable energy generation in Yukon communities. In addition, we are actively researching alternatives for large-scale, renewable energy generation that will help us grow on an economically and environmentally sustainable energy base.

One option we are exploring is a connection between our grid and that of British Columbia. Changing technology and economies have created an environment where re-examining the interconnection is a prudent course of action. We are also pleased to report that, with the support of Yukon Energy, we will be submitting proposals to the government for projects that will support the growth of Yukon's economy, such as the Stewart-Keno transmission lines project and the energy supply for Yukon residents and businesses — many of which are outlined in Yukon Energy's resource plan.

We will be working closely with the Government of Yukon departments to focus on identifying potential federal funding and developing an application for these initiatives.

I thank you for the opportunity to make my opening remarks. Ms. Cabott will now provide you with an update on Yukon Energy's activities.

**Ms. Cabott:** Thank you, Mr. Chair, for providing an opportunity for Yukon Energy and the Yukon Development Corporation to appear before Committee of the Whole today. This is my first opportunity as chair of the Yukon Energy Corporation to speak with you. It's a pleasure to do so. I look forward to your questions.

As a brief introduction, I would like to outline the key priorities that Yukon Energy's board and management are focused on. First of all, there is safety. Safety of our workers, our customers and the general public is a number one priority for us — part of everything we do and every decision we make.

Investments in additional capacity — after a decline in energy requirements in 2014, we saw a return to strong

growth in demand for electricity in 2016 and in 2017. In particular, we have noticed that peak demand on the coldest days has grown faster than our annual demand. This growth has put Yukon Energy in a position where we face a capacity shortfall under what — in the utility business — is known as N-1 condition. What that means is that if we were to lose our largest hydro generator or transmission line, which in our case is Aishihik, we may not be able to produce enough electricity to meet demand.

We are now seeing that even outside of N-1 conditions, we see capacity challenges. On February 5 of this year, when it was minus 35 degrees, we recorded a record system peak of 93 megawatts.

As you can see, a key priority for us then is to develop new resources that are able to provide dependable capacity to meet these peaks.

Another one of our challenges and what we are working on is aging infrastructure. The majority of Yukon Energy's assets were built in the 1950s and the 1970s and are approaching the point where major refurbishment or replacement is required.

This is not a unique situation. The Conference Board of Canada estimates that utilities across Canada will need to invest more than \$350 billion over the next 20 years to replace aging infrastructure. To address this challenge, Yukon Energy is updating our asset management practices, implementing industry best practices to ensure that we are managing our assets in an integrated, optimized way so as to maximize their economic return.

In terms of capital expenditures, approximately \$16 million — or a little over 50 percent of our 2017-18 capital budget — has been allocated to capital projects that will sustain our existing infrastructure. Examples of key sustaining capital projects include a multi-year project that we are kicking off to refurbish our ATCO Aishihik-Whitehorse-Carmacks transmission line and a project to replace end-of-life breakers in our substations. The remainder of our capital is directed at developing new sources of capacity and energy.

I will stop here now, but Mr. Hall and I welcome your questions.

**Mr. Istchenko:** I do want to thank the witnesses for being here today, and I want to thank the witnesses and also the boards and those people who volunteer on those boards. Power is so important to the Yukon, and I think it is key to have a great working relationship.

I also want to thank Janet. I had the opportunity to travel this summer and I picked up on something interesting when the power was out in Saskatchewan. I went to the website, and things were right there on what was going on. That is the same thing that you see in the Yukon here, and I would encourage constituents — when there is an issue with power, whether it is a bump or something happens, which we have across Canada but also in Yukon — to go to the website and you will find out right away what is going on. I think that is great and thank you for that.

I will get right into the questions here today. I had the opportunity to grill the minister — or ask the minister some

questions last week. The minister had said to me that there is going to be some technical stuff and to go ahead and ask the witnesses when they are there so I think I will probably follow up on a lot of that today.

I will start off — my first question today will be about the IPP. I want to get a quick status report of the IPP and the options that are being ruled out for the IPP, whether it be LNG, diesel, coal — there are many options out there. I also would like to know the role that YDC will play when the IPP policy is in place — the role it will play in the approval process for projects and stuff like that.

**Hon. Mr. Pillai:** Hopefully this won't be the trend for the afternoon. Just to clarify, IPP is led by Energy, Mines and Resources. Both Yukon Energy Corporation and Yukon Development Corporation feed into that conversation as well as ATCO Yukon Electric.

With that being said, just for clarification in the House, we were looking at the fourth quarter — Q4 — of this year, which has that range between October and December — to have the completion of the work that we have committed to — and our department has committed to — on IPP.

I just want to put that on the record. If there are other things, though — if the Yukon Energy Corporation or Yukon Development Corporation feel there is something I missed in the IPP conversation that they would like to provide the Member for Kluane, please do.

Certainly, that is how we are working right now. From there, we will have a framework that we can use for our potential projects moving forward that are IPP projects.

**Mr. Ferbey:** Mr. Chair, at YDC and YEC we are working on an internal team so we have opportunities to consult and provide policy advice on the IPP policy being led by EMR.

**Mr. Istchenko:** The big question that I had was: Once the IPP policy is in place, what role will YDC play in that when it comes to approval processes for certain projects, or will they play a role in that?

**Mr. Ferbey:** Independent power producing will have a number of communities and First Nations looking at community-owned infrastructure on renewable energy. Today, we do have the renewable energy initiative, which is providing planning dollars and eventually capital dollars toward the kind of projects that would likely go under the IPP. Today, we are just helping First Nations work through due diligence projects that we foresee once the IPP policy is concluded. They would probably enter into negotiations on power purchase agreements to access the program. We will play a role in helping First Nations and others to put in place energy projects. We are doing that today and likely that will continue on when the policy is in place.

**Mr. Istchenko:** I thank the witness for that answer. I am going to switch over to the Haeckel Hill project. I have a couple of questions. What are the economics of it? What is the total lifecycle cost of the project? What is the estimated energy production from it? What does it mean for the levelized cost of energy and the levelized cost of capital — if they have some numbers there? I can understand if, through

my questioning today, they don't have everything at hand — but if they could provide it later, that would be great.

**Ms. Fairlie:** Could we have clarification, Mr. Chair, as to which Haeckel Hill project he is considering — the previous one or the upcoming one?

**Mr. Istchenko:** The upcoming one — I had quizzed the minister on it, so I am just wondering about the upcoming one.

**Mr. Hall:** Yukon Energy has had some discussions with the proponents of the Haeckel Hill project, but we are not privy to their economics. We are the buyer of the energy — or would be the buyer of the energy if they were successful. What is really important is setting the price, which is an exercise that we are working on — Energy, Mines and Resources, YDC and YEC — setting the price that will be set for standing offer program proponents. It is up to the proponents themselves to figure out whether they can make money at that price.

In terms of their output, I believe it is in the order of eight gigawatt hours a year, but I could be updated on that. Their design does change over time.

**Mr. Istchenko:** Thank you for that answer. Sticking with Haeckel Hill, I am just wondering if, during the summer — I guess my question would be: With the total power produced, will we be paying them to sell wind power to the grid while we are spilling excess water that could have been produced for summer power? I'm just wondering: If we have an excess of power through our hydro generation, will we still be paying for wind in the summertime?

**Hon. Mr. Pillai:** I just want to add to the conversation what I think is appropriate. I appreciate the opportunity that we've had with Yukon Energy Corporation, Yukon Development Corporation and Energy, Mines and Resources to have a holistic approach to conversations.

Mr. Hall's team and his technical team certainly have been having those discussions, and the question concerning demand in the summer and its bill, and other projects coming on board — i.e. Victoria Gold and how that plays a role — I will leave that to him.

What I will say is, just for clarity — and I will just reiterate exactly what we touched upon here during budget discussions — part of the challenge with IPP is that you have to make a commitment to these projects and to bring these renewable projects on board. When you do — and part of the challenge, and the previous ministers who had this responsibility would understand this — part of the reason, I think, that we didn't see IPP in place where we need it is because inevitably somebody has a cost to pay. That cost, in some cases, is a ratepayer or a government, because the original policy stated that there were no negative impacts to the ratepayer. That's why we're revisiting the IPP. That is some of the discussion.

For the record, I will say that Yukon Development Corporation and Energy, Mines and Resources have also sat down with the proponent but, once again — exactly on the same point as Mr. Hall said — it's not that we are privy to the

economics of their plan, but what we're trying to do is provide certainty so that they can finance the plan.

I also will say that before we get into output, I think that it's a scalable project, so there is the initial site but I think there is a secondary site that would also potentially be looked at. That is some of the work that we want to support them in doing their due diligence on. I will hand it over to Mr. Hall.

**Mr. Hall:** I will comment on how the IPP policy and the energy that it sorts through — this fit into our plans. I think that it's important to note that with the Eagle mine being developed and the additional load that it will bring to the grid, the Eagle mine load is the summer load. They actually cut back production for 90 days during the winter. With Victoria Gold being on the grid, it will max out our hydro generation capacity during the summer. We may well be physically spilling water but, depending on what our hydro resources look like in any particular year, we may be running Whitehorse hydro, for example, full out, in which case, there is definitely a need for that IPP-source power during the summer.

**Mr. Istchenko:** I thank the witness for that answer. I know that Yukon Energy conducts safety reviews of its dams in accordance with the standards set by the Canadian Dam Association. As part of this, they hire external consultants every five years, so I have a couple of questions. I'm wondering if the witnesses could tell us how and when the last review was completed and what were the findings, and when is the next one scheduled?

**Mr. Hall:** If I remember correctly, the last safety review was last year, so we're beginning a new cycle. What happens, as the member indicated, is we bring in a consultant. They inspect all our control structures — so there are the dam structures that you see. Out of that is generated a prioritized list of tasks we have to complete within a given time frame. They rank them high, medium and low. Typically, we try to knock off the high-priority projects within the first year. I believe we have done so. Then we work on the medium-priority projects through the remaining years between each review.

At this point, we didn't identify anything of particular concern, but obviously vigilance is necessary as our control structures age.

**Mr. Istchenko:** Regarding the current rate hearing involving the Yukon Energy Corporation, I'm wondering if the witnesses have had any numbers related to the costs associated with going through this process.

**Mr. Hall:** I think it's important to understand how the costs for a GRA are accumulated. Not only does Yukon Energy Corporation have to pay for our consultants and our lawyers, but we also have to pay the costs for the intervenors and the YUB staff. You don't know those costs until the process — the oral hearing, in particular — is complete. It's really hard to estimate where we are right now as to what those total costs would be. I'm not expecting they will be substantially different from prior costs. That's about \$1 million to go through, but, as I said, until we get that final invoice from the YUB, we just don't know.

**Mr. Istchenko:** Can the witnesses provide a status update for the commitment to the study and feasibility of connecting our grid to British Columbia, in order to tap into site C? What I'm basically looking for is the funding being allocated for the second feasibility study, when it's going to start and when it will be completed, the cost and who is going to be paying for it.

**Mr. Ferbey:** What we commissioned about three months ago was a tabletop study from Midgard. The cost was \$70,000. We do have a draft report that has been concluded. It's really looking at the technical feasibility. Further work would have to be done to get sensitive costing, but it provides — is it technically feasible? That was the question we asked.

As we look at that, potentially next steps would be looking more at the business case but, initially, the first study is just showing the technical aspects of it. We haven't allocated or identified a potential capital build. It's too early in the process to start talking about those kinds of contributions. Initially, it's a tabletop study on the technical feasibility of actually building the physical line.

**Mr. Istchenko:** I thank them for that answer. Can the witnesses explain a little bit more around the innovative renewable energy initiative? I'm looking for what the initiative is — they have explained a little bit in their opening remarks — but who the money has gone to so far, how much is going toward projects that are not — I'm not sure how to word this; maybe I'll rephrase this. I'm looking to find out who the money has gone to so far and how it has gone. Is it through a government grant or how does the funding work for that?

**Mr. Ferbey:** The individual renewable energy initiative has been budgeted for \$1.5 million. The initiative itself is to be flexible to the needs of smaller First Nation community-driven renewable projects. It is to reduce reliance on non-renewable sources outlined in the minister's mandate letter. We are working with the Yukon government — and potentially federal departments — to identify further resources for the project.

The renewable project itself has been allocated to a number of communities. With due respect to proponents, we are talking with them on potential announcements, but we can say that the initiative has been subscribed. There has been a lot of interest in it and a number of communities have accessed it. We are looking at things like biomass, solar and wind. Most of them are in the early due diligence of the planning stages. Hopefully, there will be announcements to come when we have a further chance to coordinate this with the proponents who actually applied.

The actual mechanism to transfer the funds is a TPA, and we are looking at the government putting a portion of the grant money up, and the proponents also putting up some of their capital for these due diligence stages.

**Mr. Istchenko:** Just a quick follow-up question: Have there been any projects that have been funded to this date?

**Mr. Ferbey:** Yes, there have been a number of projects funded. I believe there are five or six projects that are funded and under transfer payment agreements now.

**Mr. Istchenko:** With respect to energy storage, electrical energy cannot be stored without the help of some kind of technology. I had asked this question of the minister last week, but I am hoping I can get a little bit more of a detailed answer. I understand that they are currently working on looking at some part of an energy or battery storage project in Yukon and that the price tag for this is approximately \$22 million. I also understand that Yukon Energy Corporation and Yukon Development Corporation have applied for federal funding for this. I am wondering if it is possible to get a bit more detail, like I said, on this energy storage and battery project and also some detail on what fund you have applied to from Canada. How much money are you seeking from Canada?

**Mr. Hall:** In the resource plan, we certainly looked at a range of different storage technologies. We looked at pump storage and on-grid battery storage. On-grid battery storage was identified as a resource of interest with the specific utility to meet peak demand. The way it does that is by essentially shifting a peak in consumption away to an off-peak period. That is done typically on a daily cycle.

What we have moved forward with is an application — and we have not submitted this yet — and the applications are due in the beginning of May. It is to Natural Resources Canada — NRCan — the clean energy for rural and remote communities fund. What we will likely go forward with is a staged approach where we look to fit the criteria of that fund and implement a first stage, which would be around \$16 million to \$19 million, and then follow up with a second stage at a later date. The intent is to: (a) fit with the funding criteria; and (b) to use the opportunity to demonstrate some of the benefits that a battery brings. Not only does it allow you to shift your peak around, but it also has some operational benefits for the grid. An example would be helping with the integration of intermittent renewables, which might be forthcoming through the IPP standing offer program.

A battery would also allow for faster restoration following outages. I think of the battery project in south Australia, where that was one of the benefits that the big Tesla battery bought, which was almost instantaneous restoration if some of the south Australian coal plants go offline.

Finally, there's an operational benefit around what is called "load rejection". Particularly in the summer, if we lose a large customer like Minto mine, we have an awful problem trying to keep the lights on because we have to drop generation, and a battery you can use to essentially be a dummy load while you restore that customer — so we see a lot of advantages, but the focus for now is on the federal funding application.

**Mr. Istchenko:** I thank the witnesses for that. I just learned something very valuable — thank you for that. I will move on here.

Would it be possible to get an update on the Stewart-Keno transmission project? The website says — and we know — that it is shovel ready and the corporation and the government are talking to Canada about funding, so would the witnesses be able to update us on that project? Is this

something that the government and the corporations are moving forward with — and the application to the federal government — so can they speak a little bit about that too please?

**Mr. Ferbey:** The project is shovel ready. We have been doing significant work since 2015. There are a number of new federal infrastructure funds in the most recent federal budget, including the green infrastructure fund and the rural northern communities fund. We have been talking with Infrastructure Canada to see if there is a potential contribution — or what the program authorities are to see if we can access it. Those are active conversations and we understand that the project itself — we will be bringing it forward to discuss with the government about the project, so it remains a priority.

**Mr. Istchenko:** With respect to the Victoria Gold project coming online to grid, are any of the corporations looking at spending or doing anything with respect to expanding generation capacity or covering any of the costs? What is the cost of upgrades to the existing transmission line — the new transmission lines and substations?

**Mr. Hall:** Perhaps it is worth clarifying which costs Victoria Gold is bearing associated with their grid connection. They are covering the full cost of their spur line — the line from the connection point to the existing transmission line. They are paying the majority of the costs of the new substation, which will be located at a place called McQueen. That is where the spur line connects. They are paying \$1.7 million toward system improvements throughout our grid, and the objective of those improvements is to protect us from any outages that might happen at the mine. So if the mine drops off, we want to make sure that the grid is stable and doesn't trip off right back to Whitehorse. We have to do some improvements, but the mine, again, is on the hook for those. At this point, short of very menial amounts, the mine is paying for all that work at this time.

**Mr. Istchenko:** I thank the witness for that. Can the witness please tell me what the new generation capacity is? What is the cost going to be, then, to Victoria Gold?

**Mr. Hall:** At this point, we are not planning to build any new generation capacity. I think we showed in our applications to the Yukon Utilities Board that our existing assets can meet the mine load. What helps — and I went through this earlier — is that theirs is a summer load. They go through a 90-day period where their load — their mining activities drop down to very little, so that fits very well with our generation profile. What it will do is maximize our use of hydro resources during the summer, so we are not planning to make any year 2 investments directly related to the mine.

In terms of what the mine pays — if the question relates to the rate, it is the standard industrial rate. There is nothing unusual about it. That was the subject of our YUB application.

**Mr. Istchenko:** Just looking through my notes — I want to go back quickly to the innovative renewable energy initiative. The witness had mentioned that there were five or six projects approved. Can I get details on those projects please?

**Mr. Ferbey:** The projects that have been approved are work and due diligence on biomass — there has been some implementation on biomass, I believe there is some work on solar, there are a couple on due diligence on wind, and there are four more projects that people are putting together applications for.

**Mr. Istchenko:** I thank the witness for that.

I asked the minister about the water licence at Aishihik and the expiry date. I got some great answers from the minister. The work that is being done — I just want to commend the witnesses and the corporations for their work with Champagne and Aishihik First Nations on the water licence. The website and the process for this water licence renewal involved input from a technical advisory group and a Champagne and Aishihik First Nations community-based advisory group.

I want to thank them for the work that they are doing there, but I want to ask a question about the actual Aishihik dam. You will remember that, in January 2017, there was an ice blockage at the dam and it caused a power outage throughout the Yukon. I am wondering if the witnesses could elaborate a little bit more on the problem that caused this — if there are any more issues and if there have to be any contingencies looked at to prevent these types of outages in the future.

**Mr. Hall:** That outage was a result of some fairly unusual — we think they were unusual — weather conditions. We got quite high wind velocities on the power canal, which is the section of the lake that feeds our powerhouse, and we had a breakup of the ice and a piece of ice got sucked in and got stuck in the intake.

Our thought at this time is that is a pretty unusual set of circumstances that contributed to that event; it is certainly nothing that we have seen in the past. There is nothing really significant that we are doing to address it. It emphasizes, if anything, that we do need to think about contingency events — such as Aishihik going down — but, frankly, any of our large hydros going down at this point in time would be of concern. This really brings our capacity position to the fore and speaks to the need to do additional planning to bring more capacity online.

**Mr. Istchenko:** Sticking with dams, is there any possibility of improvements to increase output from the turbines, or efficiencies at the Whitehorse dam or at the Aishihik dam, just being that there is always new technology coming? I'm wondering if I can get an update on that.

**Mr. Hall:** The member is correct that, in our resource plan, we identified a number of potential projects to increase either output or the efficiency of our hydro units. That's really the low-hanging fruit as a utility — to look for opportunities to make small incremental improvements at low cost.

This year, we're moving forward with two pieces of engineering work. One is to increase the output of Whitehorse No. 4 — and that would actually increase capacity, so the megawatt output, which is of great use to us. The second one is to look at efficiency improvements to Whitehorse No. 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.

Looking further into the future in a five-year time frame, we have increases under consideration at Aishihik as well — Aishihik No. 1 and No. 2.

**Mr. Istchenko:** There has been a lot of discussion around federal funding available — the minister and I had quite a few conversations — to help get northern communities off their reliance on diesel. Obviously, this goal is to help reduce reliance on fossil fuels, and I think this is important as we move forward in the Yukon.

Can the witnesses just update me on what YEC or YDC is doing to help reduce the territory's reliance on diesel fuel, and how some of these federal funding projects would work into this?

**Mr. Ferbey:** One of the examples is the renewable program we have. A number of the applicants are in the communities. One of the things we found that is important is the federal funding potential to leverage other dollars. One of the funds we are looking with great interest at is called the Arctic energy fund. We have been in talks with Infrastructure Canada to understand the program authorities. We understand that this fund will allow communities that are off the grid — diesel communities, if you will — to potentially access this.

I understand the government is under discussions right now with Infrastructure Canada, but we ourselves also have had some discussions to understand what the program authorities are, but most importantly, of course, is what we have been talking about, and that is the potential to have a broader fund. Realizing that diesel reduction could also happen on the grid, if the federal fund is only focused on the communities off-grid — we are hoping that it's broader so that, for example, we could participate in some — be it wind projects or other things that are on the grid.

We have actively had discussions on this and we have been doing this for close to a year now.

**Mr. Istchenko:** I thank them for that answer. Is it only the government that will be able to access any of these funding pots, or will the corporation actually be able to go after accessing some of these funding pots?

**Mr. Ferbey:** Ultimately, the funds will be the government's funds. The government will dictate and identify how the dollars will be accessed. However, that being said, the \$1.5 million for the innovative renewable energy initiative is with the corporation. We have set up a program that allows evaluation at the corporation level and allocation of those government resources directly to your proponents, so it allows decision-making at the corporate level and it allows us to be flexible and responsive to the business interests of people out there who are working on energy projects.

**Mr. Istchenko:** I thank the witness for that. Would the witnesses be able to update us on the life expectancy of the diesel generators that the Yukon Energy Corporation owns in Whitehorse, Mayo, Dawson and Faro?

**Mr. Hall:** I don't have the exact data by engine with me right now, but I will comment that, in our resource plan, we did take a very close look at the expected usage,

refurbishment and ultimate retirement of our diesel units across the fleet. We did have some retirements out three or four years in Faro — that's an old Mirrlees unit — but no other expected retirements. I will also point out that there is a Mirrlees here in Whitehorse that will likely be retired when we make the planned investment in the LNG third engine, which was initiated last year and will be completed this year. I don't have the age profile by unit with me right now.

**Mr. Istchenko:** I thank the witness for that. I just want to go back to the funding pots again. I just want to ask about research when it comes to these funding pots. I think research is an incredibly good thing. I'm just wondering if, through the corporation, they get a lot of requests for research projects before the fact of an actual project upfront.

**Mr. Ferbey:** Two things — one of the federal funds that a lot of our proponents directly access is CanNor dollars, the Canadian Northern Economic Development Agency. Also, with what we call IREI — Innovative Renewable Energy Initiative — it is a staged approach; it's phased, so many of the proponents looking at projects today are really in a research stage — early feasibility studies — and so we will potentially participate in proponents' projects up into capital builds but a lot of them are right now in early pre-feasibility, which could be characterized as research.

**Mr. Istchenko:** Would the witnesses be able to provide a breakdown by community of how much power was consumed per month over the last year? What percentage of this consumption was sourced by hydro and what percentage was sourced by — I think the term they use on the website is "thermal", which is diesel or LNG?

**Mr. Hall:** I don't have the breakdown by community, but in terms of percentage of renewable generation in 2017, we were at 96.8 percent.

**Mr. Istchenko:** Is there a possibility to get a breakdown from the corporation later in a return?

**Mr. Hall:** My only point is that some of that data may be — we're going to have to check whether we can get it from ATCO and what kind of breakdown they can give us but, yes, we should be able to give you something.

**Mr. Istchenko:** Thank you for that. How does this consumption compare to consumption over the past five years?

**Mr. Hall:** Mr. Chair, looking back at the data, I have the last four years, and we have ranged from 98-percent to 99-percent renewable. I will point out that part of the data, in 2017 — and why we ended up burning more thermal in the fourth quarter of 2017 — is that we had low water resources in the Mayo watershed. What we saw was a below-average snowpack in the preceding winter, followed by — we believe — lower than typical rainfall through the summer in Mayo. We had what could be considered a drought condition within that watershed. It didn't affect the other two watersheds, but in Mayo, we certainly had very low water levels. One of the functions of our thermal fleet is to be used in period of low water — in periods of drought. I think Yukoners forget about that because, fortunately for us, if you look at the profile, we can go 26 years with very good water resources and then three

or four years of low water. In Mayo, we seem to be in that low-water condition. That contributed to us running more thermal than we normally would to make up for the lost water in Mayo.

**Mr. Istchenko:** Can the witnesses comment a little bit more on snowpack projections in the future and a little bit in the past when it comes to Whitehorse, Aishihik and Mayo?

**Mr. Hall:** Going back a few years now, we have undertaken work with experts from southern Canada on building our forecast models that allow us to look at — for example, in the Southern Lakes watershed, the future of great glacial melts and how that contributes to water flow through Whitehorse. We are expanding that work now to include the Aishihik and Mayo watersheds. That work is with an institute out of the University of Quebec called INRS. That work is coming to a close and we are actually getting some training on these new models that allow us to look out a year, based on snowpack and rainfall forecasts, and predict in a more precise way what we think the water levels will look like coming into the winter season.

I can tell you that for the Whitehorse study, which was the first one to be done, the long-term climate modelling that was done — looking out 30 to 50 years into the future — suggested that, if anything, we would see increased water flow through the Whitehorse system. I don't have any results to report on what the long-term climate forecasting for the other two watersheds looks like, but we can certainly make that available once we receive the final report.

**Mr. Istchenko:** I thank the witnesses for that. With respect to the agreement in place with Kwanlin Dün First Nation on the LNG plant, how much revenue was directed to them based on the agreement — quarterly or this year?

**Mr. Ferbey:** KDFN provided \$20.9 million reflected in the 2015 consolidated financial statements. The loan is repayable in equal, annual principle payments of \$839,360, and the final payment is due in 2040. The interest rate on the loan is a blended rate between the cost of debt and the actual rate of return earned by Yukon Energy.

**Mr. Istchenko:** I thank the witness for that.

Earlier, I had talked about the connection to the southern grid in BC, but the government's election platform also mentioned examining the possibility of joining the Alaska grid. For the corporation, I am just wondering if any work has been done in this respect that the witnesses are aware of. What sort of opportunities exist? Do the witnesses happen to have handy any early cost estimates of this?

**Ms. Fairlie:** There was a study done a few years ago on the cost of building a line. I don't remember the exact cost that was mentioned, but it ran at about \$1 million a kilometre — if my memory is correct — because there was fairly rough terrain, and the project would have provided summer energy to Skagway. That was the main outcome of that project.

**Mr. Istchenko:** Just to follow up — is there any work being done on this as we go on, or not?

**Ms. Fairlie:** We're not conducting any further studies at the present time. That is not to say that we won't. At this



point, we are looking at the BC line, and that is our main focus at this point.

**Mr. Istchenko:** In the 2016 resource plan of Yukon Energy, refurbishments are listed as one of the options going forward. They spoke a little earlier about this. There are major overhauls of existing facilities where many pieces of equipment are reaching end of life. I am just wondering if the witness can update us on all the plans, or any plans, for upgrading or refurbishing Yukon Energy's assets and if there are some costs associated with that — or what would the costs be? I know it is going to cost money.

**Hon. Mr. Pillai:** I would just like to provide a little bit of clarity to the previous question and then hand over this question to the witnesses.

Concerning the potential infrastructure to Skagway, at this particular time, I think it's appropriate to note that the Carcross/Tagish First Nation, through their management corporation, is undertaking final stage due diligence on gathering wind data. That wind data would in turn provide the appropriate information to see if they have a potentially feasible project on Montana Mountain. Certainly the independent power production information and rate will also be a valuable part of that discussion and modelling.

I would state that they have publicly stated — at least during the Roundup mining conference in Vancouver — there was a meeting of development corporations, and at that point their CEO did touch upon the fact that one of the opportunities that they see is to potentially work with Yukon government or Yukon Energy Corporation or ATCO to provide infrastructure — or to implement infrastructure — potentially built out from Carcross to Skagway.

I think it's important to note that we are supportive of the Carcross/Tagish Management Corporation as they endeavour to look at potential projects, both from the standpoint of renewable energy that could feed into the existing grid, but also for them to look at new sources.

The members opposite who have been close to both the Yukon Development Corporation and Yukon Energy Corporation would be aware that there is a project that has been interesting, to say the least — Moon Lake. When there is the possibility of infrastructure and partnership, then projects like that may be revisited but, at this point in time, we just want to be supportive of the Carcross/Tagish Management Corporation in their early due diligence.

**Mr. Hall:** A question related to what we call our sustaining capital investments — these are investments to maintain, refurbish or replace our aging infrastructure. I'll first comment that Yukon Energy Corporation has done quite a bit of work over the last year — and ongoing work over the next few years — on what's called asset management. These are the policies and practices that we apply in how we manage our assets, bringing our practices in line with industry best practice and, for example, moving from an interval-based approach, where we go into a hydro unit and refurbish it every 10 years, which has been our past practice, to a more condition- or risk-based approach, where we go in, we do an

inspection and, if it looks good, no need to do a full refurbishment, for example.

Having said that, if I look at — and our chair mentioned this in her opening remarks, that about 50 percent of our capital expenditure this year is related to sustaining capital. I'll mention three projects of note. The first is a multi-year project to upgrade our backbone Aishihik-Whitehorse-Carmacks transmission line, which was built in the 1970s when the Aishihik facility and the Faro mine were connected. Components of that transmission line infrastructure — namely insulators and cross-arms — have reached end of life and they are being replaced in a multi-year program. Expenditures this year are approximately \$6 million.

We are also doing an overhaul to one of our Mayo A units, which are again quite old, built in the 1950s. We're hoping to get a few more years out of them. Our resource plan calls for a full replacement of the Mayo A plant, going out in 2022, but we need to do some overhaul work now to get us through to that date. Then we have a program, as our chair mentioned in her opening remarks, to replace breakers throughout our substation fleet that have reached end of life, and that's \$1.25 million this year.

**Mr. Istchenko:** I thank the witness for that — getting down into a little bit more there. It's great.

In the past year and a half, has YEC or YDC borrowed any money for energy projects? If so, how much?

**Mr. Hall:** As part of Yukon Energy's annual financing, we do borrow short-term debt, so we had an extension to our line of credit last year for approximately \$11 million. That expanded our line of credit and that is the only borrowing that we have done in the last year.

**Mr. Istchenko:** I thank the witness for that.

I had a discussion with the minister last week about the energy project in Old Crow; I just wanted a little bit of clarification. It was reported in January that the project was in limbo because money hadn't flowed in yet through the Yukon Development Corporation, but I understand that the money may first have to come from the federal government and then flow through Yukon Development Corporation. I am wondering if the witnesses could provide an update on this project and if money has flowed through yet and if there is a bit of a timeline on that.

**Mr. Ferbey:** We understand that the project, as we saw and as was announced in the media — that the federal government came in with a capital contribution. We also, through the renewable program, were in discussions and continue to be in discussion with Old Crow and, of course, are very supportive of the project and I suspect that, as they go forward, we will participate.

**Mr. Istchenko:** I want to go back again to the innovative renewable energy program. I appreciate that the witness provided a bit more detail, but what I wanted — and I didn't get out of there — was: How much money was being spent on these six projects, and who was the recipient of the money?

**Mr. Ferbey:** The program itself — what we are doing right now is talking with the number of First Nations that have

signed TPAs. Just out of respect, we would like to do announcements in coordination with the governments — out of respect. The dollar amount that went out — just over \$1 million has been signed in transfer payment agreements with various First Nation development corporations.

**Mr. Istchenko:** I thank the witness for elaborating a bit more.

I want to ask the witnesses if any analysis has been done on how the carbon tax will impact the cost of future Yukon Development Corporation projects.

**Mr. Hall:** I will make two comments, the first one being that during the resource plan — and this was prior to the announcement of the federal carbon tax backstop — Yukon Energy did incorporate what we called at the time a “special cost of carbon” into the evaluation of various supply options. We used costs of carbon ranging from \$60 to \$90 per tonne, so quite a bit higher than what is contemplated in the current federal carbon tax backstop — so it was taken into consideration during the planning phase.

Secondly, we did receive a question during our GRA — information requests about the impact of a carbon tax on the interim operations. We did respond to that information request, but in summary, the rate impacts are very minimal. For example, at a carbon tax of \$10 per tonne, 0.13 percent; at a carbon tax of \$50 per tonne — which is where, if the federal program continues on through 2022, that is where you will get to federally — 0.64 percent in terms of rate increase, so not a material impact on Yukon Energy’s business.

**Mr. Istchenko:** We understand that infrastructure projects are going to be more expensive in the future, and that’s why I was wondering if it had been looked at. I’m just wondering if there has been any work done on what costs the carbon tax will have on our existing LNG plant, or the existing generators we use, and how much more we will be paying to operate those.

**Mr. Hall:** What we focused on was ultimately the impact on ratepayers. Those were the numbers I just went through. I don’t have the contributing numbers that feed into that, but the way we approached it was: How are the ratepayers going to be impacted; how are our customers going to be impacted? Through the numbers I just went through, overall impact is expected to be minimal.

**Mr. Istchenko:** Are either of the corporations looking at anything around the possibility of providing opportunities or incentivizing the use of electric vehicles?

**Hon. Mr. Pillai:** Mr. Chair, I will hand it over to Ms. Fairlie, in the sense of the discussion concerning the Yukon Development Corporation. I will just identify the fact that, as stated here in the Legislative Assembly during our conversation concerning the budget, we do have a ministerial working group. The ministerial working group includes the Department of Environment, the Department of Energy, Mines and Resources, the Department of Community Services and the Department of Highways and Public Works, with representation from the Yukon Development Corporation. Both the president and the senior analysts sit at that table.

There will also be an invite to the Yukon Energy Corporation as we move through defining a new energy policy, so our colleagues have the same access to information and long-term visioning that I have had access to.

What we’re looking at is — as the president of the Yukon Development Corporation has identified, we are in negotiation as a government concerning the Arctic energy fund. Within the Arctic energy fund, it actually falls under my colleague from Community Services through the green infrastructure fund. That is a sub-fund of the green energy fund.

As the bilateral negotiation is underway, and as was stated by Mr. Ferbey, we will be defining the parameters and terms of reference of those dollars. We have had one sit-down with a local private sector organization that has an interest, as I stated during the budget deliberation, in potentially building the infrastructure — first in Whitehorse, and then potentially outside of Whitehorse, but primarily in Whitehorse — that would, in turn, help us move forward.

Our interest is to see if the federal funds that are being allocated to the Yukon would be able to be diverted or allocated toward the infrastructure build-out. We had this discussion today with some of my colleagues in Cabinet — when you take into consideration the magnitude of use when it comes to transportation and the magnitude of that in the total portfolio of use of energy, it is certainly something we have to focus on. There have been some people in the community — I think maybe one individual who is here with us today who has been a trailblazer, looking at some of that technology.

Certainly we want to use local companies to potentially work with Yukon Development Corporation, but we’re just trying to see what dollars that are coming into the Yukon can be allocated toward that type of work.

**Chair:** Did you want to add to that, Ms. Fairlie?

**Ms. Fairlie:** All I was going to indicate was that we were working around options — looking at potential future review of the issue of electric vehicles in Yukon — but we have not completed any work to date.

**Mr. Istchenko:** Has the corporation developed a First Nation investment framework and/or approved a First Nation investment framework?

**Ms. Fairlie:** At the current time, we don’t have an investment framework. We have individual agreements with First Nations that have been developed over time. Each of those has different terms and conditions based on the project that came forward for investment at the time.

**Mr. Istchenko:** I thank the witness for that.

So the corporation is not looking at developing an investment framework for First Nations?

**Ms. Fairlie:** Mr. Chair, we continue to look at the options around an investment framework and what that might look like.

**Mr. Istchenko:** Thank you for that answer.

When was the last protocol agreement and letter of expectation signed, as there does not seem to be a current one right now?

**Ms. Fairlie:** The last protocol agreement was for the year 2017-18, I believe, and is just ending about now. We are

currently reviewing with the minister the content of a new protocol agreement for the 2018-19 year.

**Mr. Istchenko:** So that wouldn't be on the website then?

**Ms. Fairlie:** Not at the present time. We will put it on the website once it has been finalized and approved by both the board and the minister.

**Mr. Istchenko:** I just want to go back to Victoria Gold a little bit. I just wanted to know if the witnesses know how many megawatts the summer load would be from Victoria Gold and what the winter load would be.

**Mr. Hall:** The mine doesn't reach full output all in one year. They ramp up over a number of years, but the current forecast is six megawatts. They are actually capped at six megawatts for a winter load and through the power purchase agreement, and the summer load is somewhere around 12-13 megawatts.

**Mr. Istchenko:** I thank the witness for that.

Moving back to the dam safety review mentioned earlier, does Yukon Energy Corporation have a bit more information about the findings of the review? For example, did last year's review identify any work or repairs that need to be completed?

**Mr. Hall:** I don't have any more details on the dam safety review with me right now, but I can make that information available in terms of the profile of projects identified.

**Mr. Istchenko:** My next question for the corporation — I will see if they are able to answer this or not. Does the Yukon Energy Corporation know the rate that will be paid per kilowatt to the IPP producers? Will the cost be paid by the ratepayers or will the government subsidize part of the cost?

**Hon. Mr. Pillai:** For the third time in two weeks, I will identify the fact that, once again, Energy, Mines and Resources is the lead on IPP. The IPP rate will be identified in Q-4, off 2018. The previous government — now opposition — identified the fact that there could not be a negative impact to the ratepayer. Therefore, we are revisiting the rate to take that into consideration because, as I stated before, someone has to pay. How do we ensure that the cost is — maybe we get to a price where the cost is more competitive. We would like to see that. We have touched upon that with the IREI program. Can we help to offset capital costs? I feel bad because I don't want our witnesses to be put into a position of having to answer a question that does not fall under their responsibility. I appreciate their guidance and their input into this important conversation. Certainly this is something that people have looked at for a long time to see in place, and it is something that we are going to get done this year.

**Mr. Istchenko:** I thank the minister for that answer. I wasn't sure, but I thought the minister might answer that. I just wanted a little bit more clarification.

Going back to the six-megawatt winter load of Victoria Gold, I am wondering how will this winter load be met? Will it be the third LNG generator and some of the new diesels that YEC had recently rented? What power source will they be using in the winter?

**Mr. Hall:** As I outlined earlier, coming out of the resource plan, one of the key conclusions was that we needed to make additional investments in capacity. That speaks to this ability to meet winter load.

I will also point out that the Victoria Gold load was included in our base-case assumptions in the resource plan, so it is not unexpected. It was in our main planning scenario. If anything, the fact that they are now financed — we had already anticipated or hoped for that.

In terms of making investments in additional capacity, the member opposite is correct. He pointed to the LNG third engine as being part of the puzzle. We are looking at a number of additional options. For example, one of the key projects we are working on is an expanded energy efficiency — or demand-side management — program, which we are hoping to take to the Yukon Utilities Board late this year — if we can — depending on when the next GRA proceeding will be. There are specific demand-side management programs that can target capacity. What you are trying to do is get consumers to reduce their peak consumption in electricity through various incentives. That is part of the puzzle.

We are also looking at additional investments, as I outlined earlier, in operating or increasing the output of some of our hydro units. Specifically, hydro unit 4 in Whitehorse — we think we can get at least a few megawatts out of that unit fairly cost effectively, so that's very interesting to us. We are investigating that and doing the engineering this year. If it proves to be economic, it will be quite a quick fix that we can implement next year.

In the longer term, we do need to look at additional capacity investments. In the resource plan, we spoke to a number of potential future investments in thermal generation, but those still need to be fleshed out in terms of which direction and the timing of that work.

**Mr. Istchenko:** I just have a couple more clarification questions before I turn it over to the Third Party. I'm just wondering about the fourth turbine and some of the upgrades that we spoke to in Whitehorse here. Do the witnesses know the increase to capacity that we will get from those upgrades?

**Mr. Hall:** I believe it is a couple of megawatts, but part of the objective of this initial bit of engineering that we are doing this year is to confirm what that number is.

**Mr. Istchenko:** My final question that I will ask today — before I ask it, I do want to thank the witnesses for coming in. It's good to get them yearly in the spring in the House. Before I turn it over, I want to thank them for their hard work today.

My final question would be — they had said that they had borrowed \$11 million of an increase in 2017 in a line of credit. I'm just wondering what this was for.

**Mr. Hall:** That was to fund, on a short-term basis, our capital program last year. We spent approximately \$11 million on large capital projects last year. I don't have the breakdown with me, but what comes to mind is that we did a 10-year overhaul on the Whitehorse fourth turbine, for example. That's actually, through that work, where the idea of doing

this upgrading came from. That's what comes to mind. I can provide a more fulsome list of projects.

**Ms. White:** I thank the witnesses for appearing here today, and I apologize that I'm so close and that, if I sneeze, you're going to notice, but I'm working on that.

One of the things that I notice today on the YEC website — I spend a lot of time looking at government websites, so congratulations on how engaging it is, including the 2016 report. One of the things that I thought was really interesting on the Yukon Energy website was the request for proposal for smart grid advanced rate structures studies. I was just wondering if YEC could talk a little bit more about that.

**Mr. Hall:** I have spoken about this a couple of times in prior appearances to this Committee when asked about smart meters, for example — what is Yukon Energy doing about smart meters? The RFP that you see is a first step. We're working collaboratively with ATCO Electric Yukon to look at what a smart meter implementation in the Yukon might look like, because it's fairly complex in terms of — the meters are not ours. They are ATCO's, for one, so Yukon Energy can't directly influence the installation of smart meters in ATCO's territory. We could do Dawson and Mayo and Mendenhall, but that's probably less than 10 percent of the meters that are out there, so it needs to be done in collaboration with the other utility. We're looking at what a smart meter implementation could look like, what the benefits might be, what kind of business case could be developed for it — if we want to take that to our regulator for approval — and how it might facilitate a more sophisticated time-of-use rate-type model, which, again, would provide incentives to customers to shift their peak consumption.

Time-of-use rates is a very interesting topic. It is not without controversy because there are some jurisdictions where it doesn't appear to work, so we need to be careful and prudent about looking at it, but this is the first step in that journey.

**Ms. White:** I attended a workshop in the basement of the church at the end of Main Street that was about smart meters. It was years ago — 2012 or 2013, I think. What I learned through that was that, if we're talking about reducing demand, we're talking about management — then that seems like one thing. I appreciate that the witness just talked about time-of-use rates because I look forward to the day when we actually implement that.

It is interesting because, when we talk about battery storage, I was just looking at Nova Scotia Power, and what they are doing with their users. There is actually the ability in Nova Scotia, through their power company, to install batteries. They have time-of-use or time-of-day rates and all the rest of it. When we look to the long term — we look to storage solutions, we look to management solutions, we look to use solutions — Nova Scotia has some interesting things. I don't know if the witnesses have any interest in talking about that, or the ability to look that way.

**Mr. Hall:** At this time, we are focused at looking at a larger grid-scale battery implementation as opposed to a distributed model, which I believe the member is referring to

— where you place batteries out in the distribution grid. At this point, we are focused on the economy of scale and the use of control that would come from a single grid-scale battery.

**Ms. White:** I do appreciate that answer, but I would think that, if we had enough small batteries installed in, for example, the City of Whitehorse, we could look at shaving peaks when required.

I was just looking at the south Australian example of the large-scale battery, which was really exciting. I hadn't actually really paid attention until you just mentioned it. I know that in the resource plan we're talking about battery storage in 2020 — what size of battery are we looking at for 2020?

**Mr. Hall:** I will just go back to the debate about large-versus small-distributed batteries. As a regulated utility, we do need to look at what the most cost-effective solution is. If we went in with a solution that included multiple distributed batteries, we would have to show the regulator that it was cheaper than a single on-grid solution. Our view, based on, admittedly, not much work, is that you get your economic efficiency by going with a single on-grid battery.

To the second point or question, we were looking at a 40-megawatt-hour implementation. So either four megawatts for 10 hours — there are different ways to design that battery, so perhaps it could be eight megawatts for five hours, because some of those operational benefits that I spoke about require the battery to output more than that 40-megawatt notional amount.

We are also learning how these batteries work, and the technology moves and develops very quickly, but we are engaging with some vendors and having some early discussions ahead of hearing back on our funding application.

We have a battery expert coming up — Yukon Development Corporation helped support the trip from this expert next week — or this week, I believe.

**Ms. White:** I do appreciate that. Without getting the minister responsible for EMR on his feet, I have hopes of incentivizing things like batteries in homes to help with the grid issues.

What was the cost of renting the four diesel generators that are able to produce up to the 8 megawatts of power that were rented this winter, and did these specific generators get used this winter? Is it expected that Yukon Energy will have to rent them again and, if so, will it be ongoing or are we looking at solving that problem?

**Mr. Hall:** The total rental cost was \$728,000. We did run-ups on them to make sure that they were available — that was the extent of our use — and until we get a more permanent solution, we are expecting to have to use the same approach for rentals.

**Ms. White:** If they didn't get used this winter, what is the expected cost if they are run?

**Mr. Hall:** Sorry, Mr. Chair — if she could just repeat.

**Ms. White:** The coughing and the thought process probably don't help. What would the cost be if those diesel generators needed to be operated — if we are looking at a short-term or a longer term basis?

**Mr. Hall:** The way that the rental deal works with the vendor is that you get a certain number of hours free per month — free, essentially — where you can run them without any additional fee — other than fuel, which we buy separately, obviously. I believe that is sort of in the area of 20 to 30 hours per month that you get free use, which typically would be sufficient to meet short-term peaks if we needed to. We didn't incur any of those costs, obviously, this year.

**Ms. White:** What is the hourly rate if we go over top of that 20 to 30?

**Mr. Hall:** I don't have that number with me, but we can certainly pass those numbers on.

**Ms. White:** I know that the witness just mentioned that the storage expert was on their way up. At this point in time, do we have any idea what the 40-megawatt storage would be? Whether it is four megawatts for 10 hours or what that is — is there any idea of what that cost might be so far?

**Mr. Hall:** I am just looking for the information. It was in the order of \$22 million, but again, those costs — battery storage costs — move around a lot. I think they have come down probably since we did the resource plan and as I mentioned, with the approach to the federal funding, we are probably looking at an initial implementation of less than 40 megawatt hours to fit within the federal funding envelope, and so that initial implementation will probably be around 16 to 19. I think that is the range I gave earlier this afternoon.

**Ms. White:** I have talked a lot about it in the House before, but I believe we are kind of hitting that point with the disruption in technology and demand, so knowing that the cost of the storage is coming down makes sense, as is the cost of solar panels.

The 2016 resource plan plans for the building of a 20-megawatt diesel capacity in 2021. How much does the corporation expect this will cost?

**Mr. Hall:** I'll start off by making a general comment about the way the resource plan was structured and what it recommended. It came up with a number of projects of interest. They were projects selected because they minimized the total cost of the planning period. Any individual project within that list needs to go through its own approval and ultimate permitting process.

Having said that, the additional 20 megawatts of thermal capacity was around \$60 million. That was the number within the total portfolio cost.

**Ms. White:** Is there any plan in the future with the Energy Corporation or the Development Corporation to invest a similar \$60 million, instead of in thermal, into renewable energy?

**Mr. Hall:** I think it's important to note that the total portfolio cost of new supply projects in that resource plan recommendation was almost \$300 million, so \$60 million of the \$300 million was thermal. The rest was renewable.

**Ms. White:** However, looking at the timeline, there's a third natural gas engine, 2019; diesel, 2021. Those are early on in that plan, which is why I was asking about it.

We had some concerns raised by people in the Southern Lakes this winter about the water level of Marsh Lake. They

had concerns that the water was at an all-time low and that the water was just running through the dam. I just wanted to know if there were any thoughts as to why this was happening, and not only why, but what the difference would be this winter over other winters.

**Mr. Hall:** I wasn't aware of those concerns. I'm not quite sure if I'm understanding — was the water level low during the winter?

**Ms. White:** Not only was the water level low in the winter, but it was the lowest it has ever been. So maybe the question should be: Does the corporation measure the levels in the Marsh Lake area?

**Mr. Hall:** We most certainly monitor our reservoir levels, almost on a weekly basis, and we review it right up to the management team on probably a bi-monthly basis. It's something we track very clearly. I'm not sure the Marsh Lake levels were at an historic low. Certainly Mayo was low, but Marsh Lake — from memory, I don't have the water level chart in front of me, but I don't recall it being at anything close to an historic low.

**Ms. White:** I'll suggest to the person who brought it to my attention to actually contact the corporation directly.

At this point in time, how much money has been spent on the Southern Lakes enhancement project?

**Mr. Hall:** I'm just looking to see if I have the data with me. I'm afraid I don't. I'm going to guess it's around \$7 million to date.

**Ms. White:** The last number of meetings I attended — probably the last one was 2016 — there didn't appear to be buy-in from the communities that were being visited. Where does the Southern Lakes enhancement project stand today?

**Mr. Hall:** I think it's worth going back and reviewing the full picture here with the Southern Lakes project. I believe the minister referred to the fact that, if we go back to our 2013 GRA — general rate application — the YUB gave us specific instructions to continue work — I'll quote exactly from their decision document: "... YEC is to cease work on this project if and when Yukon Energy Corporation concludes that there is no net economic benefit of the project to ratepayers."

In other words, they instructed us to go back and do more work on it. So if you go back to the 2014 time frame, that's what we did. A lot of the work over the last three years has focused on the First Nation — principally the Carcross/Tagish First Nation, but also Kwanlin Dün and Ta'an Kwäch'än — working with CTFN to secure their agreement to proceed forward to YESAB. We were successful in securing support through a letter from the CTFN land management board in 2017, supporting Yukon Energy Corporation moving forward to YESAB, if or when we made the decision to do so.

In terms of the science that has been done, we spent a large portion of that \$7 million studying a range of different potential impacts on fish and wildlife. The general conclusions from that work were that there were no substantial adverse effects from the project in terms of impacts on fish and wildlife. There were potential impacts identified in terms of shoreline erosion in certain specific areas of the lake, and in potential groundwater flooding.

The third component of the work involved reaching out to the property owners who were identified as being within those shoreline units, or potentially impacted by groundwater flooding, and working on mitigation strategies. So there were meetings held with groups of property owners to work through different mitigation designs. Most folks will be aware that there are numbers of residents around the lakes already who have done their own mitigation, in terms of erosion control.

The idea was to work with those specific shoreline unit owners to work on mitigation that would be implemented, if and when the project went ahead.

Obviously, we do appreciate that there is still opposition from certain members of the public to the project. Obviously this needs to be handled in a very sensitive and thoughtful way. This project certainly isn't a slam-dunk.

It goes to show that even what may seem like a simple project, in terms of increasing a storage range on a reservoir, ends up being an extremely difficult and challenging exercise.

At this point, my final comment would be that, when we came out of the resource plan and we looked at our situation, the primary focus was on securing more supply of capacity. This project doesn't give us more capacity. It gives us more energy, which would be of benefit, but really we need to solve the capacity issue as our first priority. More recently, the project hasn't received the attention or the focus from the Energy Corporation, but we do appreciate that. We don't want to keep people hanging for too long.

I believe the member opposite asked me the same question the last time I was here, so we do need to get to a response because, for some people, this is very near and dear to their hearts and very important to them.

**Ms. White:** I don't think it was only asked the last time; it was asked the time before that and the time before that — going all the way back to 2012. That was the first time we had the opportunity to ask the Energy Corporation questions.

Understanding that the social licence — I would suggest — hasn't been given as a blank cheque at this point in time, does the corporation plan on continuing with the Southern Lakes enhancement project, including the fact that it is listed in the resource plan as being something to be done in 2020?

**Mr. Hall:** I think I went through earlier that, just because a project is identified as being of interest in the resource plan, it doesn't mean that it is necessarily 100 percent going ahead. I thought I made that point clear, but I will make the point again. The second point is that no decision has been made at this time, for various reasons. It is something that our board, first and foremost, needs to consider. We have a new chair who I need to get up to speed with this project, among many, and then, in due course, engage with Yukon Development Corporation and the minister to see overall whether we have a case to move forward.

**Ms. White:** When I was looking at the next generation hydro plan, it talks about the directive, and it says: "In early 2013, Yukon Government issued the Yukon Hydroelectric Power Planning Directive to Yukon Development

Corporation..." That was talking about the planning of a large-scale renewable project. It was under the direction of the government. At this point in time, has YDC or YEC been given a directive to look toward developing renewable energy in the territory?

**Mr. Ferbey:** The hydroelectric power planning directive was an order-in-council that was invoked by the Yukon government. The six potential hydro projects were previously discussed with First Nations in consultations. A number of First Nations did not express interest in the projects. We have not received another directive or OIC for renewable projects, save the fact that we do have a renewable energy project called the "innovative renewable energy initiative", but that is a policy, not a directive, and we have implemented that new program.

**Ms. White:** Excluding refurbishment upgrades of already existing facilities, are there any new renewable energy projects in the resource plan? If so, how much is expected to be invested in them?

**Mr. Hall:** Perhaps I will give an overview of the planning work that we are doing in the area of renewable energy — specifically this year. If I go through the list, we spoke about the large grid-scale battery, so the first step there is the application to the NRCan funding program, the second being the upgrading to the existing hydro generators, which the member mentioned.

The third, which there were questions on earlier, relates to the standing offer program of the independent power production policy. We are very encouraged by the work that is being done; we're a member of the team and we're expecting and hoping that this power will arrive. We were planning by 2022 but, looking at the timing of proponents, such as Haeckel Hill — if they're successful, it could be that we get some of the early supply sources from that program earlier than that.

We are looking to advance the Mayo Lake enhanced storage project, so that's another storage enhancement that involves increasing the storage range on the Mayo reservoir, and we're expecting to put an RFP this week for the next phase of engineering of that project.

The next is the demand-side management. That was identified as a critical source of avoided energy and avoided capacity, if you look at it that way. We will shortly be putting out an RFP for the design of a new portfolio of DSM programs. That will go beyond our current in-charge program and specifically look at programs that might reduce peak consumption. There is a specific class of DSM programs out there that target peak consumption.

As part of that, we're hoping to do a pilot study of residential demand response. It sounds like a technical term, but basically it is piloting strategies to get residents in homes to shift their peak consumption. So we're applying to another NRCan fund, the smart grid fund, for funding for that pilot program.

Finally, we do have in the cards — the work is early — to look at some small hydro, and there were a couple of potential sites identified in the resource plan. The idea would be to kick off some feasibility work on those.

**Ms. White:** So just talking about DSM, those are exciting things when we talk about how we manage what we have better than that, and talking about peak consumption particularly. Many moons ago, there was a hot water tank pilot project done. I could never find out where it went after that, but when I did go to — I have been to different energy things — but one of the conversations was, you know, if you were able to put things like that on circuit so, hot water — you had the hot water that was in your tank and, after 7:30 a.m., it didn't go back on until the house was gone at 10:00 a.m., because that's when everybody had their toasters in. Could the witnesses talk more about what they're looking for and what they're hoping for with that project?

**Mr. Hall:** I'm glad the member brought that up, because she reminded me that part of the pilot project that I spoke about — and we're applying to the NRCan smart grid demonstration and deployment program for the specifics — part of that will be a residential hot water program, so doing exactly what the member suggested, putting in technology that will switch off hot water tanks at certain times of day. The idea behind the pilot is to look at the technical feasibility of the communications to that hot water tank, and then also what the user experience is like.

**Ms. White:** That is excellent news.

Another one of the workshops that I have been to in the last number of years was about ETS — electrical thermal storage. I know that, at one point in time, one of the condo corporations up in Copper Ridge, when they had to replace their oil tanks — one of the things that the condo corporation was helping to fund was ETS systems to replace the oil monitors.

Is there any thought about looking toward things like ETS systems or heat pumps to go along with that DSM?

**Mr. Hall:** It is certainly possible that ETS is identified as part of the suite of DSM programs. I think right now we are looking for a consultant to cast the net broadly in terms of capacity-focused DSM and then come back to us with their recommended, most cost-effective suite.

**Ms. White:** I think that is all really exciting news. I will look forward to signing up to having my hot water tank monitored by a system from faraway.

Chapter 5 of the resource plan looks at wind power, and I am just going to quote a section of it because I think it is so important for Yukoners to understand. The section speaks of seven sites that are being considered for wind energy — and I quote: "... all seven sites show an average of three-quarters of the expected electricity production occurring in the winter months between October and April. This generation profile is complementary to the Yukon's energy needs, which are higher in the winter due to increase in requirements for space heating and lighting."

At this point in time, if I looked at the resource plan, it talks about wind in 2022. Given the demand pattern, why is there not a greater focus on wind energy in this context and looking at pressing ahead on wind projects sooner than 2022 if that could be part of what we need to address our winter demand?

**Mr. Hall:** I will make a couple of comments in response. The first is that we continue with the third year of wind monitoring on Mount Sumanik. We have a Lidar system on Mount Sumanik gathering data.

In terms of how wind was identified within the resource plan, it was in the higher load scenario, I believe, where wind was identified as a resource of interest. It didn't make the cut in the medium scenario, which means that there was a cheaper portfolio that didn't include wind because it was an economic optimization that was used.

Possibly part of the reason is that we have a capacity shortfall that we have to address, and wind does not provide dependable capacity because you can't rely on it to blow when it is minus 35 out. It is possible that it might blow that day, but it is equally possible that it won't be blowing, in which case, it is not what is called dependable. You needed something else to provide that dependable capacity, and so it means that wind doesn't always score that highly when you look at the economics altogether. That is not to say that we don't continue to study it and we are hopeful that some of the IPP proponents — the successful ones — will bring wind on to the grid.

**Ms. White:** I'm hopeful that, if we get the battery storage up and going, wind becomes more attractive as the cost of renewable energy comes down. Again, it's that whole disruption.

Talking about microgeneration, does the Energy Corporation track how much electricity is produced through the microgeneration policy, or only what is being sold back to the grid by producers?

**Mr. Hall:** We certainly get information updates from the Energy Solutions Centre, which manages that program, in terms of the number of installations. I believe that we did make a forecast of future growth in that segment of the market as part of the resource plan. But at this time, I believe we're up to 100 or 150 — don't quote me on that number, but I think that is where we are. If you look at the net amount that is exported to the grid, relative to our total load, it is still a pretty small fraction, and so it's not, at this point, really making a material impact to our business overall. It is achieving various policy objectives, no doubt — but in terms of us and our impact on our operations, not so much.

**Ms. White:** Do we have any numbers for 2017 about how much energy was generated?

**Mr. Hall:** I don't have that data. The Energy Solutions Centre, through EMR, could provide that.

**Ms. White:** I was hoping and I was hopeful — the chance of me getting up in EMR is less than zero.

Something that is really interesting that has just happened is that the Alberta government has launched a new program called PACE, and that stands for property assessed clean energy. The concept is to allow people to access programs like the microgeneration policy without the upfront cost. It's critical, because the investment up front requires at least \$10,000, and it can go up to \$20,000 or \$30,000 or even higher, depending on the size of a house or what kind of array you're looking at installing. Then you're looking at the

investment — it gets costed out over eight, 10 or 12 years, and lots of people don't have that money up front.

So I was wondering if the Yukon Development Corporation has looked into the feasibility of a similar program in Yukon — because it's the Yukon Development Corporation that can do some interesting things — or whether it would be the Yukon Energy Corporation that would look to something similar.

**Mr. Ferbey:** As I mentioned, at Yukon Development Corporation, we have shifted more toward energy plans that are focused on small communities and First Nations. There are some First Nations who are looking at solar. We haven't looked at individual solar projects providing, for example, a capital contribution toward the individual. That being said, we are participating on capital costs of First Nations and communities, but not individuals, if that is how the PACE program works.

**Ms. White:** It does and that is probably a conversation for the Energy Solutions Centre but, like I said, the chances are very slim.

Earlier, when you were speaking with the Member for Kluane and there was talk about Victoria Gold, there was mention that Victoria Gold was going to cover the cost from the mine to the existing line, the majority of the costs for the substation at McQuesten and \$1.5 million for upgrades to the grid. What will the total cost for Yukon be with that project?

**Mr. Hall:** In terms of the question, I believe it relates to the total upfront cost — the cost borne by ratepayers. There's a portion of the substation, for example, that we will pay for because we wanted some long-term functionality in that substation beyond what is required in the short term — that's about \$1 million — that's about it.

The other bit of disclosure that we had during our YUB proceeding was the impact on rates. We showed that the connection of Victoria Gold in certain years — and I think we modelled 2020 to 2025 — was expected to be a modest benefit to ratepayers.

**Ms. White:** I'm just going to ask the witnesses' indulgence as I try to remember how this works. Does Yukon Energy go into a purchase agreement with, for example, a new mine? Is there a different cost or cheaper cost of power per kilowatt hour at the beginning, and then it goes to the full cost at the end? I guess I would start off with: What is the industrial cost per kilowatt hour over residential? What are the two differences there?

The reason why I ask the question is that I believe, in the past, there have been things negotiated where a mine that said they were going to be around for 20 years were open for five years, had a cheaper cost of power, and then they shut down, so there was no benefit to Yukon. I just want to know the cost of the residential kilowatt hour over the industrial kilowatt hour, and then how agreements are being designed with new mine sites to make sure that, if we give them a deferred cost of power, it doesn't happen at the beginning of the project but at the end of the project.

**Mr. Hall:** In terms of the rates the mine pays, as I went through before, it's the standard industrial rate. There's no

special deal for this mine connection. If there ever was one in the past, there's no special deal here — no deferred costs. The average rates — I'm just looking at what we submitted to the Yukon Utilities Board. Industrial customers pay various chunks in a rate. They pay what is called the "demand charge", which has to do with the peak and how tall their peak is, and then they pay an energy charge. That is all very transparent.

If you calculate it out, the full-cost rates were about 13.8 cents per kilowatt hour. As I said, that's a rate that's approved by the YUB. Yukon Energy doesn't have any flexibility in terms of structuring that.

**Ms. White:** What is the cost for residential kilowatt hours?

**Mr. Hall:** I'm embarrassed to say I don't have that number at my fingertips, but it's not going to be substantially different from that.

**Ms. White:** At some point in time, I would love that information. I thought it was 16 cents; then I thought that when we were buying energy back, we bought it for 21 cents. In my head, it's 16 cents. I was just looking for that clarification.

At this point, I'm going to close the notes. What I'm going to ask the Energy Corporation and the Development Corporation is: What are the highlights of things you want to do in the next, let's say, year to three years? What are the things you would be most proud of to talk about outside of the territory — so your achievements, your goals?

I can look at the resource plan and I can look at the website and I can look at previous questions, but that doesn't necessarily talk about the direction that you as chairs of both corporations are hoping to go in. I am looking for aspirational statements. We are looking for what is coming online and what you would be excited to share outside of the territory.

**Ms. Fairlie:** It is very difficult for us to talk about aspirational because of the fact that we are a Crown corporation. We have to look to the government's direction and its priorities when carrying out our role. I would say that, from my perspective, that what I believe is a good direction for the Yukon is captured in much of the government's current aspirational roles. I would really like to see us develop a grid that is a green grid — as green as possible, but still provides enough energy to power the economy and to provide energy that is required for residents to maintain their homes in comfort.

**Ms. Cabott:** As a new chair of the corporation, I am just beginning to learn the ropes and to work with the management and my board members.

We do go into a planning session in July, and I look forward to that. I think I will just leave it at that right now — maybe next year.

**Ms. White:** All right, I'm going to flag that — next time you guys come in, I'm going to ask a similar question. The reason why I ask is that, ultimately, it's the people's power. It's a publicly owned corporation. It's owned by all Yukoners. When I ask that question, I would like to think that, at some point in time, they will be reaching further in trying to



achieve — we've talked about it a lot in this House in different ways but, if only planning happens for an election cycle — and Mr. Hall and I have had conversations about this before, about how important it is to look at long-term planning, including that there was the social cost of carbon in the energy plan incorporated into it, because there was a responsibility to look further than just an election cycle.

Although I appreciate that priorities are being directed from Yukon government, my hope is that we will reach further and look at different things. I thank you for your time today. I look forward to big aspirational statements next year, and I thank, of course, the officials for being here.

**Hon. Mr. Pillai:** Mr. Chair, on behalf of Committee of the Whole, I would like to thank Joanne Fairlie, chair of 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, for appearing as witnesses today.

In conclusion, I hope that we had an opportunity for all of those who had questions to get a more insightful look at the complete conversation that we are having concerning energy. I sincerely want to thank all of the witnesses for their help and support throughout the year. I know we only have a couple of individuals who are working at YDC, but I want to thank the staff at Yukon Development Corporation and take this opportunity to thank the employees of the Yukon Energy Corporation who, through freezing rain, cold, snow and everything that comes at them, continue to ensure that we are safe and warm in our homes. I want to thank them for all of the work that they do to ensure that we have an organization that is at the utmost of professionalism.

I would also like to touch upon a couple of things. We do have a guest speaker this week. I will endeavour for the Member for Takhini-Kopper King to get that information concerning the Energy Solutions Centre. I think it is also important to thank Mr. Hall. Through his work with the Canadian Electricity Association, we will be hosting in the Yukon — for the first time, I think, in our 127-year history — the Canadian Electricity Association will be here. There will be meetings in both Whitehorse and Carcross in June — around solstice. They are here to look at the good work that has been undertaken by Yukon Development Corporation and Yukon Energy Corporation. We look forward to hosting and participating in those important meetings.

With that, Mr. Chair, I would like to thank you for the opportunity to bring our witnesses in today.

**Chair:** Thank you, Mr. Pillai. The witnesses are now excused.

*Witnesses excused*

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

**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 Chair of Committee of the Whole?

#### **Chair's report**

**Mr. Hutton:** Mr. Speaker, Committee of the Whole has considered Bill No. 206, entitled *First Appropriation Act 2018-19*, and directed me to report progress.

Also, pursuant to Committee of the Whole Motion No. 4, witnesses from the Yukon Development Corporation and the Yukon Energy Corporation appeared before Committee of the Whole from 3:30 p.m. to 5:30 p.m.

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

Are you agreed?

**Some Hon. Members:** Agreed.

**Speaker:** I declare the report carried.

**Hon. Ms. McPhee:** I move that the House do now adjourn.

**Speaker:** It has been moved by the Government House Leader that the House do now adjourn.

*Motion agreed to*

**Speaker:** This House now stands adjourned until 1:00 p.m. tomorrow.

*The House adjourned at 5:28 p.m.*

#### **The following sessional papers were tabled April 16, 2018:**

34-2-54

Yukon Ombudsman, Yukon Information and Privacy Commissioner, and Yukon Public Interest Disclosure Commissioner *2017 Annual Report — Working hard for Yukoners* (Speaker Clarke)

34-2-55

*Yukon Human Rights Commission — A Year in Review — 2016/2017 Annual Report* and Financial Statements (Speaker Clarke)

#### **The following legislative return was tabled April 16, 2018:**

34-2-125

Response to matter outstanding from discussion with Ms. Van Bibber related to budget debate on Vote 51, Department of Community Services, in Bill No. 206, *First Appropriation Act 2018-19* (Streicker)

**The following document was filed April 16, 2018:**

34-2-48

Funding for indigenous women's organizations, letter re (dated March 19, 2018) from Ann Maje Raider, Executive Director, Liard Aboriginal Women's Society; Doris Anderson, President, Yukon Aboriginal Women's Council; and Krista Reid, President, Whitehorse Aboriginal Women's Circle, to Hon. Sandy Silver, Premier and Hon. Jeanie Dendys, Minister responsible for the Women's Directorate (White)