

AN ENERGY STRATEGY FOR YUKON
DRAFT for Public Consultation

Summary of Comments

May 12 to June 30, 2008



An Energy Strategy for Yukon: Draft for Public Consultation

For more information:
Energy, Mines and Resources
Government of Yukon
Box 2703
Whitehorse, Yukon Y1A 2C6
www.emr.gov.yk.ca/energy

BACKGROUND

An Energy Strategy for Yukon: Draft for Public Consultation is a strategic document that aims to provide long term direction for developing and using energy in Yukon. The draft Strategy identified Yukon government's proposed energy priorities. The draft Energy Strategy was developed by Yukon government. The development of the Strategy has included:

- Background research on energy strategies in other jurisdictions, a review of existing energy initiatives, and analysis of Yukon's energy sector.
- Informal discussions with interested parties to gather initial feedback on the proposed process and key issues for the Strategy.
- A technical workshop on November 20 and 21, 2007 to scope the key issues, principles and priorities for the Strategy.

PUBLIC CONSULTATION

The draft Strategy was released for public consultation on May 12, 2008. The Minister of Energy, Mines and Resources announced the public consultation process during a news conference and tabled the draft Strategy in the legislature. The public consultation was from May 12 to June 30, 2008. The consultation activities included:

- A news release
- Posting on the EMR website
- Distribution of the draft Strategy via mail and email
- The draft was featured in stories in the Yukon News and the Whitehorse Star
- Newspaper and radio advertisements
- Meetings with governments, stakeholders and members of the public
- An open house at the Energy Solutions Centre

During the public consultation process, EMR received:

- 45 verbal comments (telephone, meetings, open houses)
- 30 written submissions (including questionnaires)

The comments that were provided represented:

- 18 members of the public
- 10 private companies and industry associations
- 8 First Nations (including the Council for Yukon First Nations and one Development Corporation)
- 5 non-profit organizations
- 5 Yukon Government Departments
- 4 municipal governments (including the Association of Yukon Communities)
- 2 Renewable Resource Councils
- 2 utilities

WHAT WE HEARD

This document briefly summarizes the many issues, concerns and observations raised during the public consultation for the draft Strategy. Not all of the comments could be reproduced in this document, but we endeavored to include as many of the most frequent comments and issues as possible.

The following information does not necessarily reflect the views of Yukon government. Rather, it is a compilation of the main comments and themes from the public consultation for the draft Energy Strategy.

GENERAL COMMENTS

1. Developing an Energy Strategy
 - Most people applaud the initiative to develop an Energy Strategy. The draft Strategy is regarded by many as a first step in a lengthy process that should continue to engage the public on specific initiatives that will be implemented as a result of the Strategy.
2. Energy Strategy commitments
 - The draft Strategy is not as strong as desired. Many comments suggested specific targets for increasing electricity supply, reducing energy consumption and generating energy from renewable sources. More action oriented wording is needed.
3. Options for meeting future energy needs
 - Expanding the future trends section should be a priority. This document is forward looking, and as such, should focus more heavily on what our options are, and what the costs and benefits of each are.
 - There is a need for more analysis of the energy options for Yukon with a focus on specific challenges and opportunities.
 - There is a need to focus on how we can best meet future energy needs for heating, transportation, electricity and industrial energy use.
 - Although viewpoints differ substantially regarding nuclear and coal energy, the justification for not including them is not appropriate, especially given that clean coal is being considered by off-grid mines and nuclear is being progressed in similar diesel use jurisdictions.
4. Leadership and partnerships
 - Leadership is key, and is currently lacking. A large project was suggested to engage partners and create momentum for implementing the energy strategy.
 - Partnership and engagement with First Nations' governments is important. Building support and consensus among governments and stakeholders is important for acceptance of any solution.

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5. Implementing the Strategy

- There is a need to coordinate the energy strategy with other government plans and policies. The Strategy and the Climate Change Action Plan and initiatives need to be mutually reinforcing.
- Tools are needed for monitoring, accountability, and evaluation for the goals, strategies and actions. More detail is needed on specific roles, responsibilities and implementation plans.

ELECTRICITY

1. Increasing supply of electricity

- With future electricity requirements predicted to exceed hydro capacity, there is an intense need to find a large-scale, cost effective solution.
- A list of potential energy generation sites should be developed. It was suggested that Yukon government could speed up the process by conducting a first order environmental screening, starting with the sites already identified by previous assessments.
- Connecting to the North American grid is an option; however this poses a number of opportunities and risks. The risks and opportunities need to be presented more clearly in the strategy.
- A long term plan and load growth need to be predicted to ensure Yukon does not face an energy shortage in the future. The Strategy must take into account the scenarios developed for the Yukon Energy Corporation 20-year plan, which include the use of coal and the development of a pipeline.

2. Renewable electricity options

- Action is needed now. There is no mention of any concrete action to get communities off diesel power.
- There is not enough emphasis on certain types of electricity generation, such as wind power and small scale hydro. Less prominence should be given to major hydro projects.
- There are many examples of other jurisdictions that have made use of a range of options, such as hydrogen as an energy storage medium for electricity.
- To send the right signals to the market, an agreement must be established by which energy must be bought at Yukon Energy Corporation's full generation cost. This will provide incentive for smaller scale, yet cost effective projects.
- Financial incentives may be needed to bring independent power production and net metering to a critical mass.

3. Managing demand for electricity

- Many respondents provided positive comments regarding net metering and demand side management. Balancing this were comments stating that although demand side management is important, the Strategy should focus more on increasing electricity supply.
- Yukon government should direct the utilities to invest in demand side management to reduce the need for electricity projects.
- How does government or the utilities plan to inform people about the true costs of electricity, and who will determine what the true costs are?

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- There are no recommendations on the need for changes to the corporate governance of Yukon Energy Corporation or changes to the Public Utilities Act. This suggests the status quo is adequate.

RENEWABLE ENERGY

1. Hydro, wind and geothermal
 - Micro hydro is a viable option that will increase reliability and resilience in the electrical grid. Proper price signals should be sent to ensure micro hydro is a success.
 - Wind power must be given a higher profile. It is barely mentioned in the Strategy, and there are many potential sites in Yukon. It would work well with existing infrastructure, and may be viable for communities.
 - Geothermal should be looked at closely. Initial reports have shown that geothermal projects are potentially feasible. What information is available regarding the environmental effects of large scale use of geothermal? There is a legislative gap with regard to geothermal.
2. Incentives and information
 - Disincentives to non-renewable energy sources, as well as incentives for renewable energy creation and use, should be put in place. These incentives should take into account the cost savings of developing public capacity to supply the same amount of energy.
 - Consider creating a renewable energy map so people know what renewable energy sources can be produced in their area.

EFFICIENCY AND CONSERVATION

1. Buildings
 - We need a territory-wide standard for new buildings and retrofits. This would include requirements for energy efficient appliances.
 - Incorporating an energy audit as a requirement of home sales is extremely important. Preferential interest rates via Yukon Housing Corporation for green homes could be looked at.
 - Additional trades training is required to support the unique needs of green homes and communities.
2. Transportation
 - The draft Strategy provides no information on relieving our need for gasoline, which accounts for nearly one-quarter of petroleum product sales. An efficient vehicle rebate could be implemented to encourage people to purchase fuel efficient vehicles.
 - Community land use planning would be helpful within the strategy. A compact community which is more energy efficient is preferable to expanding outwards.
 - Look into low greenhouse gas emitting transport, especially for mining, to cut back on pollution.
 - Suggestions for emissions-based standards for vehicles, both new and old, to remove heavy polluters from the road.

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- Encourage local production of goods to reduce energy consumption for transportation. A rail link could also reduce greenhouse gas emissions created by the transport of goods.
3. Yukon government operations and leadership
- Consider a Climate Change and Energy Secretariat. This would enhance the ability of Yukon government to move forward on all initiatives in the Strategy.
 - The proposed efficiency standards for Yukon buildings should be in place for all Yukon government projects.
 - How will the effectiveness of financial incentives be explored, and who will investigate this? Need to make it uneconomic for industry to be wasteful.
 - Need to move to a conserver society by shifting perspectives. We have much of the technology needed, such as “energy from waste” systems in use in other jurisdictions. What is lacking is leadership.

OIL AND GAS

1. Local use of Yukon’s resources
- What is the economic argument surrounding a small scale refinery in Yukon? Yukon’s production of oil and gas will not mitigate local energy costs or provide a local source – Yukon is too small for this.
 - A full accounting of social, environmental, and taxation costs need to be incorporated into proposed oil and gas production in the territory.
 - Concern that even if major oil and gas development occurs, little will be accessible to the communities. Suggest that a local use policy should be implemented. Ensure “open access” to projects in Yukon.
 - There is potential for a propane distribution system in Whitehorse. This option should be explored further.
2. Development of oil and gas resources
- If the regulatory process is to be ready for oil and gas exploration and development, changes must be made to decrease the timeline and inefficiencies in the permitting process.
 - If a pipeline does occur, what happens to the infrastructure/equipment when supply runs out?
 - Equal financial resources and support should be provided to green energy and the Energy Solutions Centre as is provided to the oil and gas sector. Suggest oil and gas royalties be invested in renewable energy.
 - Oil and gas are not sustainable energy sources. They are non-renewable resources, and so the wording of the document is contradictory and should be changed.
 - Participation in joint integrated management planning initiatives in the Beaufort basin in preparation for offshore oil and gas development should be on the agenda.
 - There is no information on coal/coal bed methane – this requires review.
 - Some comments called for a review the prohibition on industrial development in specific areas. Other comments called for a moratorium on oil and gas development in specific areas.

NEXT STEPS

As the process to develop the *Energy Strategy for Yukon* continues, we will consider all of the public comments, questions, concerns, and observations. Revisions to the draft Strategy will be made based on the public consultation and further analysis of the issues and options, with the goal of releasing a final version of the Energy Strategy in the coming months.