

## **The Yukon Chamber of Commerce makes comment on the Yukon Government Draft Independent Power Production Policy**

An Independent Power Production policy is intended to encourage third parties such as First Nations, businesses and communities to get into the electrical generation business, and sell electricity to the Yukon electrical grid, or in isolated diesel communities.

The following is a summary of comments made by Yukon Chamber of Commerce on the draft IPP policy:

The Yukon Chamber of Commerce supports the direction of this *Energy Strategy for the Yukon - Independent Power Producer (IPP) Policy*, and subscribes to the priorities outlined in the document that emphasize “efficiency, conservation and renewable energy”. To these three we would add a fourth: reliability.

We recognize that the unique nature of the Yukon electrical-generation grid requires a fresh view of how to best implement IPP. As outlined in your document:

- the Yukon electrical grid is not connected to the North American grid,
- scale is a challenge, and
- our current inability to export excess electricity limits our options.

Furthermore Yukoners are the lucky beneficiaries of the legacy hydro generation system built 50 years ago, with great foresight and anticipation of the needs of future generations. We have now reached the point where we almost consume 100% of hydro generating capacity. The Yukon Chamber also recognizes that based on organic growth alone, demand for electricity in the Yukon is increasing at approximately 3% per year, and any hydro project initiated today will likely take eight to fifteen years before it generates the first watt of electricity.

Given these realities the Chamber supports the development of a mixed portfolio of electrical-generation solutions provided by utilities and independent power producers that focus on: reliable electrical generation, maximizing efficiency, conservation and renewable energy when possible. The need for reliable electricity can mean natural-gas-fueled generating units are part of the portfolio of solutions.

The Chamber recognizes the fact that all Yukoners live at the end of a 2000-km supply chain, and that we have responsibility for the associated carbon footprint of virtually EVERYTHING we consume in the territory. Yukoners must recognize that with this reality it is not enough for us to merely address our own needs; we have an implicit obligation to offset our import consumption by being net contributors to our country’s, and the world’s energy solutions. As well, Yukon Chamber of Commerce’s mandate is to work towards the goals of economic growth and employment opportunities for all Yukoners. For these reasons we are strong proponents of all manner of locally-generated energy solutions. We also recognize that we live in a world currently dependent upon fossil fuels, and ideally over time we will need to migrate to sustainable solutions.

The Yukon Chamber of Commerce also recognizes that the energy landscape is in a technology migration from diesel-powered electrical-generation solutions to those based on natural gas as demonstrated by imports to Inuvik and soon Whitehorse. It recognizes the cleaner burning and more economical nature of this fuel. Furthermore, in the absence of a sufficient on-demand electrical supply from the Yukon's at-capacity and stranded electrical grid, new mining projects are universally looking to natural gas as the realistic and available solution to address their electrical-generation, timeline and capital-cost needs.

The Yukon Chamber of Commerce believes the following objectives are worthy of pursuing and implementing to address the short, middle and long-term demands for electrical generation for Yukoners and Yukon businesses:

- Increase and diversify Yukon's supply of electricity by using a portfolio approach to generation that encourages and delivers reliable energy solutions, efficient electrical generation and transmission, encourages conservation, and moves Yukon to a future as a net energy exporter, and substantial generator of renewable electrical energy,
- Support all manner of Yukon-generated IPP energy projects to reduce our dependency on extraterritorial energy solutions, thus generating local employment and economic growth while at the same time reducing the outflow of Yukon energy dollars to Alberta and British Columbia workers, and reducing the carbon footprint associated with the importation of fossil-fuel solutions from outside the territory,
- Move towards the goal of the territory having sufficient hydroelectric energy for the future
- Pursue and support strategic investments and federal funding for transmission infrastructure to facilitate connectivity to the North American grid,
- Develop and implement plans for a "smart" electrical grid that supports off-peak use of high-energy consumption appliances, and
- Promote renewable and/or local nonrenewable energy sources for heating and transportation.

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