

Whitehorse, Yukon
Wednesday, May 30, 2007 -- 1:00 p.m.

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

Prayers

DAILY ROUTINE

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

Tributes.

Introduction of visitors.

INTRODUCTION OF VISITORS

Hon. Mr. Kenyon: Mr. Speaker, it gives me great pleasure today to introduce a visiting delegation from the Pacific Northwest Economic Region, or PNWER. The Hon. David Coutts has served as Member of the Legislative Assembly for Livingstone-Macleod since June of 1993 and, after being elected to a fourth term in November of 2004, he was appointed Alberta's Minister of Sustainable Resource Development, a position he held until December 2006. I'd like to point out to the House that under Minister Coutts' direction, the provincial driver's licence program was also redesigned to address issues of global instability and an international rise in identity-related crimes. Mr. Coutts is also a former president of PNWER.

Next to him is Representative Glenn Anderson, who represents the Fifth Legislative District for the State of Washington. Glenn has served as a representative in the Washington State Legislature since 2000 and holds a bachelor's degree in economics from the University of Alabama, which explains his unusual accent, if anyone was wondering over the lunch hour. He has a real interest in international trade economics and community development.

Hiding behind the two of them is Mr. Don Pumphrey, director of engineering for Northwestel and chair of our communications committee and newly appointed -- or drafted, depending on how you look at it -- chair of the private sector council. Also behind is Holly Metropolit, who is an intern with PNWER and working with our Department of Economic Development, and Valerie Boxall, who has been terrified for three years that I might introduce her in the House, so I might as well get that out of the way.

Applause

Speaker: Are there any returns or documents for tabling?

TABLING RETURNS AND DOCUMENTS

Mr. McRobb: I have a document for tabling.

Speaker: Are there any reports of committees?

Are there any petitions?

Are there any bills to be introduced?

Notices of motion.

Is there a statement by a minister?

This then brings us to Question Period.

QUESTION PERIOD

Question re: Watson Lake care facility

Mr. McRobb: A few years ago the Yukon Party government announced plans for a new multi-level health care facility in Watson Lake. The project was supposed to cost \$5.2 million. According to this year's budget documents, the cost of this project is now approaching \$10 million, nearly double the estimated amount. The Auditor General had lots to say about this fiasco in her latest report released this spring and none of it was good. This project was so out of control that the Yukon Party Highways and Public Works minister gave it the "hot potato" treatment and threw it at the Health and Social Services minister in 2005.

Two weeks ago, the Highways and Public Works minister confirmed he wasn't responsible for the project, so I assume it's still sizzling in the hands of the Health and Social Services minister.

Allow me to ask him this straightforward question: what is the final cost of this project expected to be?

Hon. Mr. Cathers: Once again, we have the Member for Kluane, who is so fundamentally wrong in the facts, or supposed facts included in his comments, that it's very difficult to actually pull the real question out of there.

First of all, the member is not reflecting the fact that, in fact, this project was under the contract regulations right from the start. The authority does not have to be dealt with through the Property Management Agency. It can go forward under another department through the minister, and that was the choice in the case of the Watson Lake multi-level care facility for the reason that, at that time, the Property Management Agency was extremely busy and was at capacity with the work they were doing in that area. So that assertion by the member is incorrect.

Also I need to remind the member that he is completely misinterpreting what was, in fact, the initial allocation to this project, being a budget for the project. The member is absolutely incorrect in that assertion.

Mr. McRobb: Well, we know the Health and Social Services minister is sensitive about this project, as he should be. It has become a classic example of how not to manage a project. It again proves that the Yukon Party government is not a good fiscal manager.

Now, in her report, the Auditor General agreed. She said, "We did not find any documented project plans that clearly set out a strategy and course of action for completing a project." She also could not locate a work schedule cost plan and project team organization. In other words, no one was minding the store. The cost of this project has ballooned out of sight because the Yukon Party dropped the ball.

We know what the Auditor General said. Again, will the Health and Social Services minister tell us what the final cost of this project is expected to be?

Hon. Mr. Cathers: Once again, the member opposite - I will give him the benefit of the doubt and suggest that he's

merely confused. But the point here is that the member is reflecting things that are simply not accurate.

This project, rather than being dealt with through a general contract, was dealt with under project management, which is a similar approach to that used at the athletes village. The member is trying to reflect on certain elements from general contract management to project management, and they are simply two different models of building a building. Both are perfectly acceptable and both are options under our contracting regulations, and that is what has been done.

Again, the member is trying to suggest that the initial allocation for this project was the total budget for it, and that was never the case and is not the case.

Mr. McRobb: There is still no answer to the question.

Let's review the facts. The facility was estimated to cost \$5.2 million. According to this year's budget documents, it has ballooned to \$10 million and the project is still not finished. The Health and Social Services minister admitted last year that the current hospital does not meet building codes. This indicates costs will go even higher.

Earlier today I tabled a document we obtained under the *Access to Information and Protection of Privacy Act*, which confirms the current hospital does not meet the code. Moreover, it reveals that another \$6 million is required to bring the facility up to code.

Maybe we can get an answer this time from the minister. He needs to be held to account. Can he confirm for the record that the current facility does not meet the building code and the cost to do so is estimated at \$6 million?

Hon. Mr. Cathers: Once again the Member for Kluane is conveniently ignoring and confusing the facts of the matter to create an inaccurate impression. I would urge him to be more cautious. I certainly hope it is not his intent to do so.

The member needs to reflect on the fact that it has been stated very clearly that the code issues with the Watson Lake hospital are separate from the project to build a multi-level care facility. There was work that resulted when there was work done on the attachment. There was additional work that was done related to identifying how the two structures would interact, but issues related to the Watson Lake hospital and code requirements there have nothing to do with this project. The projects are separated by a firewall for that purpose.

The member needs to reflect that the code has changed since the hospital was built. Yes, there are issues that have been identified and discussed before about changes that need to be done to build it to code, but the member should not make the suggestion that somehow it is not a safe building. It is in fact a safe building and code issues will be dealt with at a separate time and it will be a separate project.

Question re: Contracts, sole-sourcing

Mr. Inverarity: I trust the Minister of Community Services has now been adequately briefed on the details of this government's decision to sole source a contract for window coverings in the athletes village to a company outside the Yukon.

In response to my question yesterday, the minister stated, "The tendering for this project was handled by the Canada

Winter Games Host Society." According to statements made by government officials in February of this year, this contract was in fact managed by Community Services. There appears to be some confusion between the minister and his officials. Either the minister is wrong or his officials are wrong -- which is it?

Will the minister set the record straight as to exactly who was responsible for the decision to sole source this contract?

Hon. Mr. Hart: As I stated previously with regard to this project, this has been handled by the Department of Community Services with regard to project management of the athletes village. However, it was done on behalf of the host society for the Canada Games.

Mr. Inverarity: This is not the first time this Yukon business owner has been mistreated by this government. The contractor in question operated another Yukon business for 15 years until this government helped him into bankruptcy a few years ago.

After assurances from this government that his efforts to rebuild his laboratory business after a fire in 2002 would be supported, this government seized \$111,000 under the guise of collecting on a bad debt. The decision to call in the loan, instead of renegotiating a payment schedule, effectively snuffed out the laboratory business.

Meanwhile, government ministers were negotiating confidential repayment schedules for their bad debts. Four years later, nothing has changed.

Why did this government go out of its way to sole source this contract to a Vancouver company instead of supporting local businesses?

Hon. Mr. Fentie: Mr. Speaker, obviously, the question for the sole-source for drapes in the building in Whitehorse has nothing to do with the motivation of the member's question. The member has just brought up the issue of the bad debts file that past governments ignored for some 15 years. This government is now in the process of collecting bad debts. We all know what transpired in this House with a former member of this government from Klondike. He wound up on that side of the House because he had to pay his \$286,000 owed to the taxpayer. That's what the member should be talking about, not this nonsense about drapes.

Mr. Inverarity: Mr. Speaker, the Yukon Party decision to bypass Yukon contractors on this \$50,000 contract is bad enough. This occurred after the government had already sole-sourced a contract to the same company for \$980,000. Mr. Speaker, this amounts to more than a \$1 million worth of work that Yukoners were shut out of. The Yukon contractor in question has been waiting since January 22, 2007, for this government to explain why he was not allowed to bid on these contracts. He has written letters to the minister, and he has tried to meet with his MLA. He has gotten nowhere.

When will this Yukon Party government sit down with the individual and try to justify their decisions for why he was left out in the cold?

Hon. Mr. Hart: Mr. Speaker, I would just like to maybe refresh the member opposite's memory. There was well over \$80 million brought into the Yukon through the Canada Winter Games, and that went to the benefit of all Yukoners in

the process of building a facility, as well as the games facilities here in Whitehorse -- \$80 million that never would have been here in the Yukon if the Canada Games had not transpired here in Whitehorse.

I would like to remind the member opposite that the games were a success, without question. On behalf of all the citizens of the Yukon, I would like to thank them for making the games a success, especially the volunteers who assisted in making that happen on our behalf. We are credited with hosting the best games ever for the Canada Winter Games, and I have to say -- I don't know if the member opposite was actually volunteering there, but many of us were -- what a wonderful job we did, and look at the benefits that were derived by every Yukoners from these games.

Question re: First Nations, government relations with

Mr. Edzerza: I have a question for the Minister of Economic Development. Today was the last day of a major conference here in Whitehorse on resource development and northern transportation. The minister's department is listed as one of the sponsors of this conference, which was called "Advantage North".

I have a simple question for the minister. Of the 42 speakers and panellists listed on the program, why is there not one single representative of Yukon First Nations?

Hon. Mr. Kenyon: We were very pleased to co-sponsor that conference with a wide variety of other organizations, particularly WESTAC -- Western Transportation Advisory Council -- and other groups involved -- the University of Calgary and such. Those groups determined the speakers and the order of speakers and the dinners and such, not our department. We contributed financially to that and allowed them to proceed with that, but it was certainly not something that our department organized and set an agenda for.

Mr. Edzerza: That is somewhat along the lines of the response we expected. This conference had a very broad agenda. It included sessions on climate change, pipelines and global demand for commodities, as well as the physical and human infrastructure.

There was a full day of discussions about transportation challenges and solutions, particularly in how they relate to resource and energy development. This morning's final session dealt with the role of governments in delivering transportation solutions allowing for resource development. Interestingly enough, that session was called "Partnerships".

Can the minister explain why an event of this nature would not include the perspectives of Yukon First Nations and why there was also no role for labour representatives at this conference?

Hon. Mr. Kenyon: It was our pleasure to sponsor this conference in conjunction with a number of other organizations -- WESTAC in particular, which set that agenda. I am very pleased the member opposite had the chance to attend that and I hope many of his colleagues did as well. This is not something we sponsored, per se, or that we aimed at any individual group. It was a wide open discussion. It was a good program put on by WESTAC and its other organizations, attended by

media and a good chance to exchange ideas, which I think happened. To aim it at any specific group at that point in time -- we had no control over how that would work.

I'm very pleased the member opposite had a chance to attend it and I certainly congratulate him for the first question on economic development in this session.

Mr. Edzerza: I believe a little phrase called "common courtesy" would go a long way when it comes to talking about partnerships in the Yukon Territory. At least two deputy ministers of this government were on the program. The Premier and the Minister of Energy, Mines and Resources spoke at the event. The federal Minister of Indian and Northern Affairs and the Governor of Alaska were both scheduled to appear, but the only aboriginal input I could find on the agenda was from the president of the Aboriginal Pipeline Group in the Northwest Territories and the Assistant Deputy Minister of Economic Development and Transportation in Nunavut.

There were speakers from Alberta, Saskatchewan, Alaska, Manitoba, Northwest Territories, Nunavut and British Columbia. There were speakers from industry and the academic world. If the Premier is even halfway serious about his commitment to respectful relationships...

Speaker's statement

Speaker: Would the member ask the question, please?

Mr. Edzerza: ...why would this government sponsor a conference that seemed to treat First Nations and labour as if they were invisible?

Hon. Mr. Kenyon: I again thank the member opposite for listing all the various organizations and groups that were involved in organizing and putting this on -- again sponsored by WESTAC, which I believe is the Western Transportation Advisory Council. We had representatives from the port of Fraser, from airports -- we had a wide variety of people who showed up and we were very pleased to help.

We were not a part of setting the agenda. I'm very pleased the member opposite attended some of it, but I notice he says he didn't see them on the agenda. He's not referring to them actually speaking, so I do hope he made some of the sessions.

Question re: Dawson City sewage disposal

Mr. Cardiff: Is the Minister of Community Services aware that a petition is circulating in Dawson City calling for a referendum on a bylaw to prohibit construction of a sewage lagoon on the site where the minister's department wants to put it?

Hon. Mr. Hart: I have heard some rumblings with regard to the petition of which he is speaking.

Mr. Cardiff: I'll file a copy with the Clerk for the benefit of the Legislative Assembly.

For the minister's benefit, I hope he actually reads a copy of the petition that I'm filing. Under section 153 of the *Municipal Act*, the proponents of a petition have 90 days to collect the required number of signatures. If 25 percent of the eligible voters sign, the council must conduct a binding referendum on a bylaw that reflects the petitioners' wishes.

The minister has already indicated he intends to proceed with plans to build the lagoon on the lots in question near the entrance to town. At next month's court hearing, will the department be asking for a time extension on this project, until the people of Dawson have an opportunity to express their wishes through this petition and possibly through a binding referendum?

Hon. Mr. Hart: As I've mentioned to the member opposite on several occasions with regard to this question that he keeps bringing up, we will be submitting a progress report to the judge at the end of next month on our progress with regard to the sewage facility that he has mandated we put in for the City of Dawson.

Mr. Cardiff: It's easy to predict some serious problems down the road if the minister insists on going ahead with this project as it is now. If construction has already started and the people of Dawson direct their council to stop it, there could be a huge cost implication, not to mention even further delays in getting a sewage treatment system in place. And we would hate to see history repeat itself by having this minister override the will of the people one more time.

As of today, there are 85 days left before the petition has to be presented to council. As a precautionary measure, will the minister use that time to reconsider other suitable locations for the lagoon and, specifically, will he direct his officials to consult with the Tr'ondek Hwech'in about the site the First Nation is proposing on the south side of the Klondike River?

Hon. Mr. Hart: Short? Absolutely not. We're going to go forward with our application to the court to represent progress. We're doing it in conjunction with the City of Dawson, as our partner on this particular process, and we'll go through there.

If, in fact, the petition comes forth and the citizens of Dawson come through in this case, the member opposite should be aware that the federal jurisdiction takes higher priority than ours.

Question re: Seniors housing

Mr. Mitchell: I have some questions for the minister responsible for the Yukon Housing Corporation. There is an individual with us in the gallery again today who is having some problems with the Yukon Housing Corporation. My constituent would like to move into seniors housing. His application has been denied because he owns his own mobile home in a mobile home park.

It's a catch-22, Mr. Speaker. He can't get into seniors housing until he sells his house, but he does not want to sell his house until he has confirmation that there is a guaranteed unit for him. I'm sure the minister can appreciate the situation this person is in.

This individual is here again because no progress has been made since the last time he was here, almost a month ago. At that time, the minister agreed that something should be done. He said, for the record, "I do agree with the member opposite that it is a hardship." Why is the minister unwilling or unable to get this problem resolved?

Hon. Mr. Kenyon: Again, the Yukon Housing Corporation is run by a board of directors and they have a very dis-

tinct set of policies. People who are experiencing abuse or an abusive relationship will have a priority to move in. There are some cases of medical necessity in the communities where the person has to move into Whitehorse to be closer to the hospital. That sort of person would have priority.

But, in general, it is not the case that anyone can simply apply who owns their own home. The board is looking at that -- I've asked them to look at that -- and they will develop their policies accordingly. But again, the last time the member opposite, the Leader of the Liberal Party, asked that question, he stated in this House that he had personal information that that policy had been violated. I challenged him then and I challenge him now -- give me the evidence or perhaps admit that he misspoke.

Mr. Mitchell: The evidence is my constituent, who is sitting in the gallery today, and I'm sure he would be happy to relate it to the minister if the minister challenges my constituent's veracity.

The individual who is with us here today is tired of waiting. That's why he is here trying to get this minister to act. He has been trying to get this policy changed for years. His latest try began in 2006. Here we are a year later and still nothing has changed. This person still can't get into seniors housing.

The minister says, "I don't set policy." When the Yukon Party government wanted the pet policy at the Housing Corporation changed, it had no problem telling the board to change the policy, and it did. When the Yukon Party government wanted the board to exclude child support payments from the calculation of a tenant's rent, it had no problem directing the board to do so, and the policy was changed. The minister even said himself he thinks this policy is a hardship. Why is he not doing anything to help get it changed?

Hon. Mr. Kenyon: For the member opposite, the pet policy and the child support decision was made by the board of directors of the Yukon Housing Corporation, an independent Crown corporation that reports to this Legislative Assembly through me, but I do not control it. But I do thank him very much for complimenting that board and, left-handedly, this government, for those decisions.

Again, we have a distinct policy. To my knowledge, his constituent is not in an abusive relationship, is not too far from the hospital, does not fit into the existing policy, which is being reviewed, and we have to put that in conjunction with other seniors who do not have the luxury of owning their own home or owning very large assets, as reported in the paper.

Again, the member opposite, in this House, stated that he had personal knowledge of people who did not fit into that policy. I challenge that member to produce proof or admit that he misspoke.

Mr. Mitchell: My constituent is a senior and a veteran. I don't believe we should be treating people this way. This catch-22 has created a lot of hardship for my constituent. He has been trying to get something done for a number of years. He has asked me to try to assist him because he cannot get any satisfaction from this government or this minister.

The minister can provide direction to the board to make changes. He meets with them regularly. My constituent is tired

of fighting the system. He's a senior who just wants a place to live. The current policy would require him to move to rental accommodation or risk being homeless in order to qualify. Perhaps the minister could find the time to meet with this person so he can hear the gentleman's concerns first-hand.

Is the minister prepared to sit down with my constituent and try to find a solution? Will the minister do that?

Hon. Mr. Kenyon: Again, to my knowledge, this individual does not fit any of the criteria and in fact the member opposite has publicly stated in this House, on the public record, that he has personal knowledge that this policy of the Yukon Housing Corporation Board of Directors -- which I don't meet with regularly; I've met with them two or three times in three years -- that the member opposite has personal knowledge of this. Either table that information or admit that he misspoke.

For the record, I will send over to him a copy of my schedule from Wednesday, May 30, which shows this constituent scheduled a meeting, but he didn't show up for it.

We have to deal with seniors who do not have the luxury of owning large assets. We have to deal with seniors who are also veterans, who also don't have their own home. The policy is being reviewed, but this is not something that is a political decision.

Question re: Land use planning, north Yukon

Mr. Elias: I have some questions regarding the north Yukon land use plan. As the minister is aware, the plan is the first to rise out of chapter 11 of the *Umbrella Final Agreement* and represents a milestone for not only Yukon but the Canadian north. This has been a public process that helps make decisions regarding how to best use and protect the land and its resources in north Yukon. This will be a benchmark for future plans, and how the Yukon government approves and implements this first plan will set the tone for the Yukon.

Can the minister give an update on how the development of the north Yukon land use plan is progressing?

Hon. Mr. Lang: I've just had a meeting with the affected First Nation and the commission and the council and everything is moving along. Hopefully, we will have something in front of the government by this fall. It will be the number one land use plan out of eight that we are committed to finalizing. We are getting to a point where we can make that land use plan public, and that should happen this fall.

Mr. Elias: The north Yukon planning region is 57,000 square kilometres in size and is the core of the Vuntut Gwitchin First Nation traditional territory. Fourteen percent of the region is comprised of Vuntut Gwitchin settlement lands. At the heart of the planning process is the concept of sustainable development. The North Yukon Land Use Planning Commission has considered the assessment and management of adverse effects of land use activities in the development of this plan -- partly through the development of threshold and cumulative impact concepts and a land use designation system.

Does the minister support the use of these threshold and cumulative impact concepts in the plan?

Hon. Mr. Lang: I've been working with the council and the commission on this issue. I'm going to wait until we get the final plan and, in partnership with the affected First Nation,

move forward with the plan, but I'm not going to commit on the floor here today to a plan that hasn't been finalized.

Mr. Elias: I wanted to emphasize the importance of conformity as it relates to this land use plan. The north Yukon plan will apply to both settlement and non-settlement lands. Once the plan is approved and government grants an interest in the use of land, water or other resources, conformity to the plan must be front and centre when government grants those interests. The Vuntut Gwitchin are looking forward to the finalization of this plan and moving forward with its implementation.

What is the minister's strategy to ensure the successful implementation of the north Yukon regional land use plan?

Hon. Mr. Lang: I look forward to working with the land use plan in north Yukon. It's going to be another tool in how we manage the resources in the north Yukon and also in how we work in partnership with the local First Nation. This is a partnership. This plan is not coming out of anything but a partnership with the Yukon government and the affected First Nation. It's a very positive partnership and we all -- First Nations and also the government of the day -- look forward to the final plan, and we're optimistically looking at having a public document this fall.

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

ORDERS OF THE DAY

GOVERNMENT PRIVATE MEMBERS' BUSINESS

MOTIONS OTHER THAN GOVERNMENT MOTIONS

Motion No. 113

Clerk: Motion No. 113, standing the name of Mr. Nordick.

Speaker: It is moved by the Member for Klondike THAT this House urges the Government of Yukon to continue working toward the development of a territorial-wide electrical grid.

Mr. Nordick: I rise today to urge all members of this Assembly to support this motion. A territory-wide electrical grid makes sense for Yukon and for all Yukoners. Ensuring a reliable power supply is essential to the functioning of a modern society as there are few substitutes for electricity.

A territory-wide electrical grid is strategic infrastructure. Strategic infrastructure is necessary for the growth and development of a healthy, sustainable economy. Generally, governments ensure the stability of power supply to power consumers. This promotes stability in the economy and allows for certainty in the electricity consumption and expectation.

A territory-wide electrical grid provides for a bigger electrical system in the Yukon, which provides a greater flexibility in energy supply and demand. By linking all municipalities, a territory-wide electrical grid will reduce the dependency on diesel. Reducing diesel use has many benefits, particularly in this day and age where everyone is conscious of greenhouse gas emissions and pollution.

This government is committed to responsibly managing the environment and reducing our impact. Developing a territory-wide electrical grid allows us to reduce greenhouse gas emissions through reduced diesel use. Reducing diesel use also reduces the exposure of ratepayers to the volatility of fossil fuel markets. Basically, I guess, to sum up, if fuel prices increase drastically, power rates could too. As we are all aware, the cost of fossil fuels is certainly expected to rise in the years to come.

Developing a territory-wide electrical grid is a responsible way to get more communities on sustainable energy sources. The majority of electrical energy produced in the Yukon is hydro based. This is a sustainable, reliable source of electricity generation.

Many jurisdictions in North America and around the world do not use hydro but use coal-fired plants or gas-fired plants to generate electricity. These plants, as we all know, emit high levels of greenhouse gas and contribute to the biggest environmental challenge of our day: climate change. In fact, 46 percent of electricity generated in North America is from coal, 18 percent is generated using nuclear, 14 percent from natural gas, five percent from oil and 17 percent from renewable resources, including hydro. Clearly, we are the fortunate minority to have electricity generation based on a renewable resource. By developing a territory-wide electrical grid, we can make the most of this renewable energy source.

Yukon Energy has three hydro plants: one at Whitehorse on the Yukon River, one located at Aishihik Lake, and one at Mayo in the central Yukon. Together, the facilities have the ability to generate 75 megawatts -- or 75 million watts -- of power. That's more than enough to serve all current Yukon customers.

But right now, these three sources are not connected because there is no grid. Energy generation in Mayo is not available to Whitehorse. Developing a territory-wide grid certainly adds more flexibility to the system and allows a better matching of demand to supply.

Mr. Speaker, developing a territory-wide electrical grid will enable the Minto mine in central Yukon to run on hydro power, reducing diesel consumption and reducing greenhouse gas emissions. This is a much more desirable situation for the mine and for all Yukoners.

There are a couple of other areas I'd like to comment on regarding electrical systems in the Yukon. The rate stabilization fund -- the Yukon government has considered the argument for and against maintaining the RSF and has decided to extend the RSF for one year; however, the subsidy will be reduced by 50 percent, commencing July 1, 2007. The one-year phase-out will allow customers to reduce their energy consumption by participating in a broad range of government programs that are available to assist consumers in improving their energy efficiency.

In addition, the Yukon government is targeting a rate reduction as part of a general rate application in 2008 for all ratepayers. This will be a sustainable rate reduction, not a subsidy. Yukoners will pay the real cost of electricity, not an artificial rate that is propped up by a subsidy, which encourages waste.

The Yukon government has a broad range of programs available to assist customers with improving their energy efficiency and reducing electrical consumption. Recent examples include mortgages for building green or energy-efficient homes, loans to upgrade home appliances, rebates for washing machines, such as front-load clothes washers, and the efficient compact fluorescent lighting project, Project Porchlight.

The Yukon government is shifting its focus from short-term subsidies to investing in long-term sustainability and efficiency of the Yukon's hydroelectric resource in order to meet the goals of our climate change strategy. Government, in partnership with Yukon Development Corporation and industry, has committed significant funding to electrical infrastructure projects, including the Carmacks-Stewart transmission line and the Aishihik third turbine, which will have a beneficial impact in the long term on rates and reduce greenhouse gas emissions.

The RSF has cost about \$29 million since 1998. Of this total, the Yukon government has provided \$14.1 million and YDC has contributed about \$14.9 million. YDC has been paying for the fund since mid-2003. The RSF program has grown significantly in cost since its first full year of operation in 1999, from \$2 million to \$4.9 million in 2006, primarily as a result of increased diesel fuel cost; that is, this subsidy effectively provides incentives for people to consume more electricity, which results in more diesel being used.

As a result of the new national eco-trust program established by Canada's new government, the Yukon is receiving \$5 million to support territorial projects that help reduce greenhouse gas emissions and air pollutants. The addition of a third turbine on the Aishihik dam has been identified as a project that will do just that. The Aishihik third turbine will reduce Yukon's estimated annual greenhouse gas emissions by 3,800 tonnes. By reducing the Yukon's reliance on diesel-generated energy that would otherwise be required during peak demand times, this is an economic and environmental benefit for all Yukoners. This does not simply benefit some people while levying a cost on many others. This does not subsidize waste of electricity for those who do not need a subsidy, as a subsidy would. A subsidy encourages waste and overuse.

Again, the third turbine benefits all Yukoners by shifting our energy to a clean, sustainable source -- hydro -- off an unsustainable, dirty source -- diesel. The third turbine provides cleaner electricity, reducing greenhouse gas emissions and, by developing a territory-wide electrical grid, the energy produced by the third turbine would be available to all Yukoners, again reducing the need for diesel burning and reducing greenhouse gas emissions.

To close, I would like to summarize my comments. Developing a territory-wide electrical grid moves the Yukon away from diesel-generated power. A territory-wide electrical grid moves the Yukon toward a system with more flexibility based on sustainable, hydro-generated power. Developing a territory-wide electrical grid is good for the entire Yukon environment and for all Yukoners. I urge all members of this House to support this motion.

Some Hon. Member: (Inaudible)

INTRODUCTION OF VISITORS

Hon. Mr. Kenyon: If I could have the kind indulgence of my colleague from Kluane, I would like to introduce in the third row now, Mr. Matt Morrison, who is the executive director of the PNWER, the Pacific NorthWest Economic Region, who was a bit delayed.

Applause

Mr. McRobb: Thank you, Mr. Speaker, and it is good to see the strong representation by members from PNWER here today.

I'm a little surprised at how brief the mover of this motion was. He spoke barely 10 minutes to this matter. I managed to take a few notes. I think there are a few items that deserve some attention, and I also want to put some of our comments about the purpose of the motion on the record this afternoon.

First, Mr. Speaker, I would like to point out that expanding the territory's grid to serve other communities is not a new undertaking or a new project by any means. This is a matter of due course, a natural development of the territory, and it has been identified for several decades now. As a matter of fact, Mr. Speaker, the energy commission report in 1998 included recommendation 48, and I'll just read it for the record: "Grid extensions and inter-ties should be pursued only if such projects would keep electrical rates affordable for Yukon electricity consumers." Perhaps I'll get a chance to read some of that on the record as the debate progresses this afternoon.

One point I'd like to dispute with the member moving the motion is his belief that a transmission grid delivers reliable power supply. That was the term he used. In some cases it does the opposite. I think the record should be balanced to that effect. For instance, if you look at Dawson City, although the diesel generation has been displaced in Dawson City, it is likely that, because of the long distance transmission line, power outages increase rather than decrease. I haven't been privy to what are called "outage reports" but the point I'm making is this: to call it a reliable power supply leaves this question hanging in the balance.

The member also mentioned that our current hydro facilities in the territory add up to 75 megawatts of capacity. He went on to assume that 75 megawatts of capacity is available year-round. That is simply not the case. If you take the Whitehorse Rapids dam, for instance, it has a nameplate capacity of 40 megawatts, yet in the wintertime it can produce only about half that amount. If you look at the Aishihik facility nameplate capacity, you will find it says 30 megawatts. However, that facility on a year-round basis would only produce about -- I believe the number is close to 12 megawatts. So there's a huge difference between what is deemed nameplate capacity and actual year-round sustainable capacity.

In those terms, the 75 megawatts really renders down to something in the order of 35 megawatts, or less than half. It is quite possible in the wintertime -- let's just pick a cold winter day at peak demand time, which is either the breakfast hour or supper hour -- if our demand on the system exceeds about 35 megawatts or so, then diesel generation could be required. Now, in saying that, it doesn't take into account that the Aishi-

hik facility can run at peak capacity for a certain period of time in the winter, giving it the full 30 megawatts, but it's not a year-round capacity number.

So, really, the hydro figure is closer to 50 megawatts for limited time periods in the winter. That is still substantially short of the 75 megawatts identified by the member who moved the motion.

The member also made a comment about the Aishihik third turbine: how this project adds to the capacity of the system. This is a matter that I addressed only one week ago. I explained it quite adequately for the record then that, in terms of capacity, it really only adds to the nameplate capacity of the plant. It is my understanding that Yukon Energy Corporation does not plan to ever run all three turbines simultaneously once this third one is in place. At least that is what I recollect from its submissions to the regulators. Therefore, it does not increase the actual capacity as produced at the facility.

Furthermore, the member who moved the motion also indicated a certain number of greenhouse gases that would be saved per year. That number is also called into dispute. It might be true; we don't know. We've asked the government to verify those figures and so far it hasn't. I would expect that the number used is only a theoretical number that might apply. It might be the maximum number that might apply in certain conditions. It is very similar to the number we heard in connection to the Otter Falls reduction. Let me just explain that.

Back about 1991, at least in the early 1990s, Yukon Energy Corporation applied to further reduce the outflow over Otter Falls from the Aishihik facility. This water, once released over the falls, is lost for hydro generation purposes. The Yukon Territory Water Board eventually approved a flow reduction and the Yukon Energy Corporation officials computed the water saved into power generation and, theoretically, into greenhouse gas emission savings as well.

That's what you call a theoretical number. The number doesn't always pan out. As a matter of fact, if you look back at the Otter Falls reduction since it was allowed more than a decade ago, it has really only seldom saved any costs for the system or reduced greenhouse gases. The reason for that is that there has been spillage from the reservoir necessary on just about an annual basis -- so the water spilled anyway. This again puts into question these numbers introduced by the member who moved the motion.

In terms of the grid expansions themselves, we see it as a good thing to connect more communities to the main hydro grid in the territory. And, of course, there are identified benefits to doing so. Many of them have been discussed in this Legislature in the past month and include, of course, displacing diesel generation in off-grid communities, along with side benefits such as reducing greenhouse gas emissions.

However, on the other side, although we support a progressive grid expansion in the territory, we're certainly not in favour of the blank-cheque approach. Each expansion must be analyzed for its economic feasibility, and if it means a rate increase for all ratepayers on the system, then it either shouldn't proceed or perhaps it should be supplemented by other means than ratepayers' funds.

In fact, we saw that happen with the Carmacks-Stewart transmission line project, where the government injected \$10 million toward that project in order to ensure that it was financially feasible. We heard about another issue a couple of weeks ago. A constituent of mine made a presentation to the Yukon Utilities Board, or had an agent do it for him, with respect to extending the hydro grid down the Haines Road.

Mr. Speaker, it might be determined that such a project can't stand alone on its own economics, that indeed it needs to be supplemented from another source in order to protect ratepayers. We know this government is sitting on a huge surplus of \$85 million that has not been spent. Again, we've got to ask the question: why is it not doing something to deliver on the needs of Yukoners with respect to these other projects? On a project like a Haines Road power line that would save diesel generation and reduce greenhouse gas emissions for private individuals, businesses and a government highway maintenance camp, certainly it should be investigated. If the numbers aren't there, the government has a responsibility under Economic Development to consider supplementing the cost. Of course, that would spare the ratepayers from any rate increases and be consistent with recommendation 48 from the energy commission that I read on the record earlier in terms of affordability.

Mr. Speaker, I want to allude further to the economics of transmission lines. We heard this government in the fall promise us that the Carmacks-Stewart transmission line would proceed only if it's economically feasible. What we saw transpire was quite a bit different than that. Of course, with the government announcement, it was basically throwing \$10 million at the project. It threw the economics of standing alone on its own financial resources essentially out the window. So although the government took the perspective in the fall that the project must be financially feasible to proceed, what the government actually did only a few months later was quite a bit different. We're talking about a government subsidy in order to make this project financially feasible. That's quite a bit different, and that's the same approach I just described with respect to other proposals, such as an extension down the Haines Road.

I also have to address the aspect of political interference in the process. I know the members across the way don't want to hear about this, but in fact that is what is happening now.

First, let me describe who is being affected. The regulator of energy matters in the territory is called the Yukon Utilities Board. It is an independent, quasi-judicial body that decides on applications put to it with respect to power rates and capital projects.

Currently, the Carmacks-Stewart transmission line project is before the board. The board has yet to make its final determination.

Let's look at what is happening. The government today brought forward this motion to discuss the virtues of extending the grid. The biggest development in this area is in fact the Carmacks-Stewart transmission line project, and the member has already talked about that. I presume other members will too. I would submit this is comparable to talking about the details of a court case before the judge has rendered a decision.

What is the intent of bringing forward this motion today? That remains to be seen, but potentially the impact of bringing forward this motion today could influence this independent, quasi-judicial board before it makes its decision, and I have to question that approach.

I have to identify the Minister of Energy, Mines and Resources, who is also the minister responsible for the Yukon Development Corporation and the Yukon Energy Corporation, for even allowing this to happen. Furthermore, we heard on the news very recently about how the Yukon Development Corporation Board of Directors has asked for more information with respect to the cost of the Carmacks-Stewart transmission line before it makes a decision to approve it.

Well, I would think the board and the minister should be very concerned about what the regulator might decide. It is Yukon law to not proceed with projects until an energy certificate is in place. Well, what does the government plan to do? The Yukon law also says no person shall operate a regulated project, except in accordance with an energy operation certificate. These certificates are still lacking, yet the government brings this to the floor. The minister talks as if the project is a go. The board of directors almost approved it but decided it needed more analysis. Well, everybody is missing the most critical point: the legally required authorities are not yet in place. And let's not interfere politically into the board's process before it has rendered a decision on this matter. Otherwise it makes a lark of that whole process. Why even have it if the politicians on the government side are going to interfere?

Now, Mr. Speaker, it is also worthy of note to mention that it is within the purview of the Yukon Utilities Board to place conditions upon the certificates required. One of the conditions might be a determination that only a part of that project, or perhaps even none of it, deserves to be included in the utility's rate base and that really its whole intent is rather outside the jurisdiction of the board and it is better categorized as economic development for the territory and, therefore, should be funded by the Yukon territorial government if, in fact, the government wants the project to proceed, instead of charging it to electrical ratepayers. That is one possibility.

I want to mention how it works because I've heard some confusion from the government members about this. When we talk about the regulator approving costs for a capital project, we're really talking about the rate base of the utilities. What is a rate base? Allow me to explain, to the limit of my understanding: that is an asset that has been approved by the regulator, owned by the utility, upon which it can earn what is called a fair rate of return. In other words, the utility can make annual profits based on what is in the rate base. If the transmission line gets partially approved by the board in the numbers identified for the rate base -- let's say that number is \$10 million and let's say the fair rate of return is 10 percent, then one would deduce that an annual profit on the rate base would be \$1 million. That would be charged to electrical ratepayers. That's how the utility companies earn their profits. It's based on the rate base or their asset base that has been paid for.

The board would effectively -- in the case where it decreased the amount of this project allowed into the rate base --

achieve two purposes for the protection of ratepayers: one is to decrease the amount ratepayers must repay to the utility for the project; second, it would decrease the amount of funds from ratepayers toward profits of that project after it was rate-based - the term that's common. That's the responsibility of the regulator. It must review matters in accordance with its jurisdiction and the laws and directives given it.

That is why the regulator disapproved the Energy, Mines and Resources minister's first power purchase agreement with the Minto mine. That PPA -- if I may be allowed to use the acronym -- simply included factors that were outside the scope of the Yukon Utilities Board and it acted in the interests of electrical consumers to deny the minister his application.

So the minister went back to the drawing board and, fortunately, a plan was developed that did meet the board's jurisdiction and did meet with approval from the board to allow, in theory at least, this agreement to proceed should the power line also proceed.

It's a line where on one side you have economic development and on the other side you have charges to ratepayers. It's a good thing that the two are divided. Otherwise we would simply have a politically driven utility. That would lead to escalated costs and higher power rates for consumers. Is that a good thing? Well, obviously not -- hence, the reason for the independent regulatory process.

So with regard to the political interference, there is one more aspect to mention and that is the frozen power rate to the mine. This could very well be a concern for the mine itself should costs decrease in the future. In the other scenario of increased costs, then it's going to be a concern for all residential and business customers because they, in fact, will be forced to subsidize the mine as a customer on the system.

I suppose there is more, in terms of political interference, and it's using the Yukon Development Corporation to pay for the cost overruns that might be charged to the customer. Mr. Speaker, I understand this is done in the name of economic development. The government has the ability to act in this way and appropriate funds for the benefit of any given company. But let's be realistic and ask where the policy is with respect to this.

Last Wednesday, I referenced the original version of the Yukon Party government and pointed to the policy framework it had in place. One such policy was called the Yukon industrial support policy, or YISP. This policy was developed through public consultation in order to allow the government to invest in infrastructure to assist private developers.

What we have from this version of the Yukon Party is quite a bit different. There has been no policy development and no public consultation. All these decisions are made in the backroom upstairs or maybe on the hotline from the backroom to Watson Lake. I don't know. But none of these decisions are made within a policy framework. They're made willy-nilly. There is a problem with that. Mr. Speaker, I referred yesterday to what some of the problems might be.

So once again, the government hasn't done the hard work of developing policy or allowing Yukoners to participate in a process to give their feedback on what is being proposed.

These decisions are merely made in the backroom by the Yukon Party members. So there is a problem with that, and we're seeing a reaction now from consumers groups and so on about these decisions being made, and the government cannot ignore these concerns. It has a responsibility, whether it likes it or not, to listen to all Yukoners and to represent all Yukoners.

Mr. Speaker, I mentioned the blank-cheque approach and I think this deserves a bit more attention -- what exactly that means. I suppose if one didn't have to worry about the bills, then one can merely go on a spending spree. Perhaps some of the members opposite have done that from time to time, and it is all fine and dandy until the VISA bill comes in the mail.

In the context of government-funded projects, of course there is a limited budget, so there has to be accountability; there has to be a comparison done on whether it is the right thing to do to spend money on this type of infrastructure versus competing needs for Yukoners. It has to be weighed carefully.

Fortunately for this government, it is sitting on a huge surplus of \$85 million. Never before has the Yukon government had that luxury, and it's not because of what is called "fiscal prudence"; it is because transfer payments to the territory have increased wildly over the years. Simply put, there is more money flowing into the territorial coffers. Spending in the territory has increased proportionately to the incoming extra revenues, as easily indicated by the budget numbers in recent years. I believe I just heard the Finance minister yesterday attest to that point, so it is something that we can all agree on.

That said, I do think there is a lot of merit in giving the expansion of the grid in the territory a higher priority than what has been given in the past. I believe projects such as the one we heard about on the Haines Road deserve recognition. Perhaps a grid connecting Watson Lake deserves recognition. Perhaps a grid extension up the north highway connecting Beaver Creek, Burwash Landing and Destruction Bay to the main grid at Haines Junction is also in order.

I would not expect those extensions to make complete economic sense all on their own. They would require an injection from the government of the day, or someone else, to make them approvable by the Yukon Utilities Board.

There are other factors that can legitimize such projects from a government's perspective, such as the importance of regional economic development and reduction in greenhouse gas emissions. Both of those are simply outside the purview of the regulator, the Yukon Utilities Board.

Does that mean those factors are not important to Yukoners? Not at all, Mr. Speaker. They are very important factors. So whose responsibility is it to look at those other important factors? Well, it's the responsibility of the Yukon government.

So we do see government involvement in the Carmacks-Stewart transmission line project, and I believe that is probably necessary and probably should have been done from the get-go instead of trying to foist these external costs, which were clearly outside the purview of the independent board, onto the backs of all the electrical ratepayers in the territory. The Yukon Utilities Board did the right thing.

I want to make a comment in defence of the board because it came under attack, I believe rather unfairly, by individuals

out there who should know better and who are not part of the regulatory process. Basically, what they were doing is shooting from the outside in. That's not a very fair approach, and I would encourage those people to perhaps get involved next time and submit their comments in the proper forum because they were quite off-base. The Yukon Utilities Board had no jurisdiction to approve a project as originally submitted by this Energy, Mines and Resources minister, the Member for Porter Creek Centre.

So if the board had done that, it would have essentially acted illegally and contrary to its own mandate. The Energy, Mines and Resources minister must understand where the line is. I pointed out a few examples already this afternoon about the line of political interference and how it has probably been exceeded already. The minister doesn't know where the line is. He's walking around with a blindfold on and whether he crosses the line or not is not important. He should be more mindful of where that line is because, in the case of the Minto power purchase agreement, it caused a lot of people a lot of unnecessary trouble. There's a cost to all that process. It resulted in unnecessary cost and who pays that cost? It's all the electrical consumers in the territory who get bills from their friendly utility company. It is they who pay that cost.

So because the minister didn't understand where the line was, everybody will be paying more on their electricity bills. I had thought the minister should have known better, but apparently not. Yesterday he assured us he wasn't asleep at the switch. We're not quite sure about that. People might want to keep their candles close at hand because, although we can rest assured the minister is at the switch, he's at the helm of the good ship Yukon Party, but meanwhile, people who rely on electricity for heat and lights had better be a little nervous, especially if they don't have candles and a good woodstove nearby.

I don't know how much more can really be said about creating a Yukon grid -- expanding the existing grid. There are costs, there are priorities, and which connection do you do first? Several connections have been made in the recent past. The Mayo-Dawson transmission line was a major project.

The Yukon Party likes to talk about the cost overruns and give their spin on why, who, what and everything else, but there's a whole other side to that debate. Do we get into those details? No. We're above that. The Yukon Party isn't, but we are. We say, "Look. That decision was made by a former government. There was a completely different set of conditions in place and a completely different set of people in place too."

There were factors at the time that legitimized a decision based on recommendations from public officials at the Energy Corporation, some of the same people the minister listens to now. So the government side likes to point the finger, but, really, is it legitimate? Well, certainly not completely. There is some aspect to it, and we heard a bit about that aspect today in Question Period. It's called cost overruns. This Yukon Party has lots of cost overruns. Look at the Watson Lake hospital. It is already double, and it could be triple if another \$6 million is required to bring it up to code. Well, do we hear the members berating themselves over that? No, we don't. I wonder why. As

a matter of fact, we had to apply through the *Access to Information and Protection of Privacy Act* to even get that information. It was hidden within government.

So I think listeners have come to appreciate that, quite often, they hear one side of the story, and we know that every story has at least two sides, sometimes three or four or a whole lot more. That's why people are a little suspect.

Mr. Speaker, I said it last week, and it has occurred to me again today that one thing I like about private members' day is the ability to speak freely. Quite often we don't get an opportunity to speak on matters in this House. I refer to Question Period, for example. We don't get an opportunity to respond to the government's final supplementary. Even though the government might at times challenge us to respond, well, we don't get a third supplementary; the question goes to somebody else.

One of the things I'd like to talk about is one I think is of interest to a lot of Yukoners, and it relates to motion day, especially the topic at hand. I think of the classes that come in here from time to time, and all the students who are interested in observing the workings of the Legislature and are trying to study political science and everything else -- unfortunately, I never had an opportunity to learn this stuff in school. I know there is a lot to learn, but I'd just as soon stay away from that approach and just try to represent people to the best of my ability.

One of the things I want to mention is how questions are formulated and answered. For instance, on the Carmacks-Stewart transmission line and the first Minto power purchase agreement, when I asked the minister some questions about how he needs to go back to the drawing board and come up with something that will work, we on this side were accused of being anti-hydro, pro-diesel and in favour of global warming. Is that fair? No, of course it isn't. It's what you call trying to label. It works to a degree because the attention of the public and sometimes the media is limited and there isn't time to investigate matters right down to the point of fully understanding the discussion at hand. It goes against the need for public scrutiny of projects such as transmission lines.

I look at the Aishihik third turbine that the member mentioned. We asked some questions of the Premier about why our \$5-million climate change money was directed to that project when it won't reduce greenhouse gas emissions for several years and when there are so many other immediate options that should have been considered. He accused us of being anti-hydro, pro-diesel and all the other things. I could go on and mention a few other examples as well.

The point I want to make to the students who frequent our gallery -- and anybody else -- is that to ask questions of the government, you have to have the conviction and fortitude to stand up and do what's right. You know that these comebacks are in the quiver and the minister is going to stand up and deliver and you will get tarred with these messages -- anti-hydro, pro-diesel, pro-climate change and everything else. We can spend all afternoon talking about this.

But the point I want to make is just to try to shed some light for anybody who really cares about what happens in this Assembly. I encourage you just to bring your mind to maybe

the second or third level and ask yourself: why is the government targeting those who pose the questions to it? Because we all know that in our system the opposition is tasked with the responsibility of holding the government side accountable.

Yes, Mr. Speaker, I know we're talking about this motion about the transmission line, and I'll reconnect my argument.

If I'm asking the minister a question about the transmission line project to extend the grid in the territory -- I hope that reconnects it -- and I get attacked for being pro-diesel or anti-hydro, for some unknown reason -- I guess because I'm questioning the minister about a project.

But that's our job. We need to know the costs. We need to know the process and the timelines. Different matters like that are standard questions we need to know about anything. So we get attacked. Well, people shouldn't just accept at face value the words of the attack. They should ask themselves why the members who ask the questions are being attacked. Why don't the ministers answer the questions?

I'll relate this back again --

Speaker's statement

Speaker: Order. The motion reads:

THAT this House urges the Government of Yukon to continue working toward the development of a territorial-wide electrical grid.

I know the honourable member has great knowledge on this subject, so please pass some of that knowledge on to us -- on this subject.

Mr. McRobb: All right, Mr. Speaker. I'll respect your ruling, as I always do. I won't prolong this aspect of the discussion. I think the point has been made.

Let's get back to the subject of the motion itself. Basically, it's a good thing. It's like saying that the government should promote childcare in every community in the Yukon, or ensure that the highways are good everywhere in the territory, or whatever. It's one of these "motherhood and apple pie" statements.

The only comebacks are because it's an area of regulation about how the decisions are made, who is paying for them, as well as how these projects rate in terms of priorities when compared with other needs of Yukoners. It's something that we have supported before. It's something, when I was in the role of chairing the energy commission, we made the recommendation on. I would remind members that the energy commission was, of the policy-making commissions set up by the NDP government of the day, the only successful one that met with the approval of both opposition parties -- the Liberals and Yukon Party at the time -- as well as energy stakeholders. So, it's well-grounded in public consultation, involvement and, therefore, acceptance.

I want to get to one more aspect before wrapping up on this. That is on the familiar theme of competing costs, competing projects -- well, just expanding the grid meets certain objectives. Of course it has to be weighed in the balance of what is being left out. Recently we have had the Energy, Mines and Resources minister announce he'd be abolishing the rate stabilization fund in about a year. Between now and then, it would

be reduced to only 50 percent. The connection has been made about how the government's abolishment of this popular fund really serves a purpose of allowing the Yukon Development Corporation to be able to finance subsidies for this infrastructure we've already talked about today, or perhaps buy the diesel generators from mining companies and so on. This is a whole other area. It is related to today's motion, but it deserves perhaps a motion day of its own.

I think the connection needs to be made, because Yukoners can connect the dots and they know that their subsidy is going to buy the diesel generators, and so on, because of the minister's new deal.

I think the connection needs to be made, because Yukoners can connect the dots, and they know that their subsidy is going to buy the diesel generators and so on because of the minister's new deal. This decision was made without public consultation. It was another Yukon Party backroom decision.

People need the rate stabilization fund, Mr. Speaker, because of the people such as seniors and young couples and the working poor and so on, who really want to see a dividend approach to the publicly owned utility. With that in mind, I think the appropriate approach for me to follow this afternoon is to introduce what is known as a friendly amendment.

Amendment proposed

Mr. McRobb: I move

THAT Motion No. 113 be amended by adding the following words after the word "grid": "but not on the backs of electrical consumers by abolishing the popular rate stabilization fund".

Speaker: The motion is in order and if agreed to would make the motion read as follows:

THAT this House urges the Government of Yukon to continue working toward the development of a territorial-wide electrical grid, but not on the backs of electrical consumers by abolishing the popular rate stabilization fund.

Mr. McRobb: Thank you for approving the amendment.

I think the objective of the amendment is quite clear because Yukon consumers want the rate stabilization fund to continue. Probably Yukoners want the transmission project to continue and, probably, Yukoners want conservation programs in place. Simply put, there is no reason why Yukoners can't have all three.

Let me get on the record some of the background of the rate stabilization fund. I have before me the final report from the energy commission in 1998. There is some very important information here that I know the members across the way will want to hear. I invite them to perk up and listen.

Let's first talk about fairness, affordability and stability, because that is what the RSF was set up to achieve. Without it, you heard me last Wednesday make reference to the Energy, Mines and Resources minister's new song called, "Goodbye Stability, Farewell Affordability and Hello Volatility". That's in essence what will happen in the future without this program.

The Yukon's electrical system suffers from relatively high levels of unpredictability in both supply and demand. The supply and demand imbalances, combined with lower population and customer densities and the isolation of the grid from neighbouring jurisdictions, have resulted in a history of unstable electricity rates. Although there are higher electricity bills elsewhere in Canada, public concern over power bills has increased in the Yukon because of greater price uncertainty.

The challenge of balancing supply and demand is heightened by the fact that almost 40 percent of electricity demand comes from the Faro mine when it is operating. This mine has often shut down for protracted periods during the past 20 years, which exposes the Yukon's electrical system to extreme shifts in generation requirements. On the supply side, most of the electricity carried on the Yukon's electricity grid comes from hydroelectric generation facilities at Whitehorse Rapids and Aishihik Lake, and water flows can fluctuate significantly from year to year.

The instability of electricity rates resulting from these supply and demand imbalances is directly connected to the fixed costs associated with hydroelectric generation, transmission and distribution facilities. Depending on the location and the electrical load, a new mine coming on or off the system can impact rates for all customer classes. This is caused by the significant cost of incremental diesel generation and a change to the amount of hydro resources allocated to each customer class. If these costs are to be recovered from fluctuating amounts of electricity sales, the price per unit of electricity sold must be adjusted accordingly. When prices suddenly rise to offset a mine closure, other customers -- residential, business, municipal, government and industry -- face unbudgeted bill increases. At the same time, people know the value of jobs and economic benefits that result from operating mines and realize that these are a significant factor in the Yukon's overall economic health.

The concept of "fair" is complex and, at times, contradictory. Some argue that all customers should pay the full cost of being served. To others, fairness in electricity rates should reflect the consumers' ability to pay, given that electricity is considered a necessity of life, resulting in some means of ensuring affordable rates for low-income residents. Conflicts emerge between fairness and other rate design principles and objectives.

When rates are designed through the regulatory process for each customer class to collect the overall approved utility revenue requirement, revenue-to-cost ratios show the revenue collected from each customer class as a percentage of the utility's cost of serving that class.

If I might just give some anecdotal information, this was part of what I spoke about a week ago and it really puts into question the minister's pronouncement that he believes the rates will decrease after the mining customer comes on, because such a statement is oblivious to all other parts of that equation.

This is still a very pressing issue before the board, and the board may very well determine that the next general rate application is a timely time to finally address this outstanding matter.

Let me return to the energy commission's report. A revenue/cost of 100 percent means that the revenue collected from the class equals the cost to serve the class. A revenue/cost of 80 percent means that revenue collected from the class equals only 80 percent of the cost to serve that class. In order for some groups to pay less than cost, other customer classes must pay more than cost. Based on information from the 1997 general rate application, or GRA analysis, about \$1.84 million per year of added revenue is paid by the government commercial class at the 1998 revenue-to-cost ratio of 143 percent versus a target ratio of 110 percent.

Since the federal government comprises about 60 percent of this customer class, it contributes about \$1 million annually toward lower power rates for all residential consumers.

In its 1992 review of cost of service and rate design, the Yukon Utilities Board recommended to government that rate changes be implemented to recover 90 to 110 percent of the utilities' cost of service for each non-industrial class, with future improvements in cost of service studies to be pursued to allow a 95 percent to 105 percent recovery to be attained.

In 1996, the Yukon Utilities Board directed Yukon Energy Corporation and Yukon Electrical Company Limited to design a rate shift program that would target revenue to cost ratios for each non-industrial class in the range of 90 percent to 110 percent over a 10-year period.

I realize this is quite technical, but it's very good to get on the record and motion day is about the only opportunity ever to do so. There's just a bit more to do.

A priority for government is to act on commitments to achieve rate stabilization and to ensure that electricity is affordable. Rate comparisons with Alaska and the Northwest Territories communities indicate that Yukon residents and businesses currently have affordable access to basic levels of electricity service. While removal of the government-funded residential rate relief program, as well as increasing rates to recover recent revenue shortfalls to cover at least 90 percent of service costs, would not fundamentally change this conclusion, many consumers could be adversely impacted. Some concerns were raised during early consultation that the needs of specific groups, such as seniors on fixed incomes and low-income earners, have not been adequately addressed, but the broad application of rate stabilization initiatives should make electricity affordable for all.

The two closures of the Faro mine in one year have underlined the need to learn from experience and manage the impact of industry on electrical rates. A systematic and comprehensive action plan is required. For the majority of ratepayers, price stability is a key component of affordability. Let's repeat that for the Energy, Mines and Resources minister: for the majority of ratepayers, price stability is a key component of affordability.

Long-term stabilization requires that electricity costs paid by consumers move to a sustainable level without being adversely affected by the fluctuation of major loads on the system or the phased-in elimination of long-standing cross subsidies among customer classes.

I didn't have the luxury of reading this part when speaking last Wednesday, but I am rather pleased that the comments I did get on the record were consistent with the findings of this report. I would urge the Energy, Mines and Resources minister to maybe give a little more attention to the whole area of stability and certainty and affordability with respect to electricity rates.

The report goes on to speak about the rate stabilization fund even more, but I know my time is ticking away and I have just six minutes left. I wanted to address another one of these issues about politically labelling in the debate we sometimes have -- usually in Question Period.

One is with respect to the rate stabilization fund itself. I realize, Mr. Speaker, I am granted more latitude in talking about the RSF, given your approval of the amendment to motion, so it would be an appropriate opportunity for me to do so at this time.

When asked about why he has chosen to reduce by 50 per cent and then abolish this program in a year, the minister's common comeback was to charge us as being anti-conservation, pro-diesel and not wanting to do anything about climate change. Mr. Speaker, that's really a huge stretch and has no bearing on the truth whatsoever.

We have advocated energy conservation programs for a long time and we've brought motions to the floor of the Assembly to that effect. We've asked questions to the minister -- when will he bring back the powersmart program, for instance? We've heard nothing.

We are also in favour of hydro and we have long suggested that we try to reduce diesel whenever possible. I've put matters on the record as recently as last week about communities like Beaver Creek, which has a diesel generator, and the waste heat keeps going to waste. For just a few dollars, this government could tap into that waste heat and save greenhouse gases from nearby buildings, yet it hasn't done so. So there are many opportunities to reduce the impact in some communities that might make it questionable to extend the grid immediately.

Mr. Speaker, just given my few remaining minutes, there is also another aspect. A reporter asked me about it yesterday and I got into it, I believe, for the first time. Currently the Yukon Party government is requiring people to conserve because it is rate-shocking them into doing that. I have to ask the question: for what purpose? Within the next year, all our electricity needs are essentially produced by hydro. Unless it is generated to electricity, the water will be spilled over the dams.

So for what purpose are we rate-shocking people to reduce their consumption in that period? It's entirely about how the funds are being used. It has nothing to do with the practical reasoning of reducing hydro in this period. As a matter of fact, it's better for Yukoners to heat their homes using electricity that's produced by water that would otherwise be spilled over the dam than it is to heat their homes through any other means. This does not become an issue until diesel is on the margin. "Diesel on the margin" is a term that's used to apply to whenever diesel generation is needed to meet total electricity demands on the system. Diesel will be on the margin eventually,

after the Minto mine connects, if in fact it ever happens. Let's hope it happens.

In the meantime, there's nothing to be gained. There's no diesel on the margin. The only exception might be during supper hour, if it's 40 below, on a January day for an hour or two, or if there is another outage from the Aishihik facility on the power line, et cetera. My understanding is that that's the only time, really, when diesel is necessary.

The government is rate-shocking people into conserving when it makes no sense. It's an occasion like this where I have to wonder about political idealism. Essentially that's what the Yukon Party's approach to abolishing the rate stabilization fund is all about -- there's no other purpose. It's political idealism to rate-shock consumers into reducing their consumption so more water can be spilled and more greenhouse gases can enter our atmosphere because they're forced to heat with other means. It doesn't make sense.

We know that the government wants to use the RSF money to buy the diesel generators, and we don't agree with that either. So this is a bad government policy decision that was hatched in the backroom upstairs without seeing the light of day, and it's not a good one. It's similar to the Aishihik third turbine decision that the Member for Klondike raved about. Well, we've examined that one to the extent of realizing that it too was a foolish decision.

So, Mr. Chair, I don't think that a lot of Yukoners are going to rest assured under the minister's watch. He's proud to stand up and say that he's fully capable and at the helm of the good ship Yukon Party and as the Energy, Mines and Resources minister and everything else, that he's fully awake at the switch, and he doesn't have to worry about end runs around him or anything else.

But I would just close by saying that we had better keep the candles close at hand. I urge all members to support us in accepting this amendment as what it really is -- a friendly amendment to improve the motion.

Thank you very much.

Mr. Mitchell: I'm very pleased to stand today to speak to the proposed amendment to the motion, or to the amendment, first of all, by the Member for Kluane.

I'm very glad that this amendment has come forward because I think it strengthens the motion. I mean, the original motion said: "THAT this House urges the Government of Yukon to continue working toward the development of a territorial-wide electrical grid." I'm not sure what just addressing that would have accomplished.

But saying, "but not on the backs of electrical consumers by abolishing the popular rate stabilization fund", shows that these things are in fact linked, and that it is important that we consider them together, hand in hand.

We should go over a little history as to how we got here, because I think it is quite interesting. The rate stabilization fund was implemented for a very good reason: because Yukon rate-payers should be able to plan for stable utility bills and be able to budget accordingly.

Ratepayers, average Yukoners, are not in a position where their salaries go up by 30 percent one year and down by 30 percent another year, unless perhaps they are Cabinet ministers and then their salaries might go up by that amount and then down in a different year, depending on elections. However, the average person is on a fixed budget and they have to be able to have an expectation that they can afford to pay all their household bills. They can't suddenly expect to reduce their mortgage by \$36 a month if their electrical bills go up by \$36 a month. People don't just have the means to respond instantly like that, so they shouldn't be left hanging, or dangling, by decisions made by the government of the day, or the Yukon Energy Corporation for that matter, which could cause precipitous increases in their electrical bill costs. Nor should they be subject to the cyclical nature of metal prices in the mining industry.

I've made reference to the cyclical nature of this industry before. If you look at the portfolios of any mutual fund, if you speak with any financial advisor, they describe this area -- mining, metal stocks, metal prices, precious metals, non-precious metals -- as cyclical, not because they are denigrating them or think they are not important. Obviously we get here every day, whether we drive a vehicle to work or ride a bicycle to work -- we are dependent upon the mining industry. It is not meant in any way not to be supportive or to be saying negative things; it is the nature of supply and demand: prices go up, mines open, exploration increases; prices go down, mines shut down. We've been through this cycle again and again in the Yukon and in the north.

In fact, the very cycle that I referred to -- and its cyclical nature -- is the reason why, when the Faro mine was closing in the early 1990s and threatened to precipitously raise consumers' electrical bills because the Yukon Energy Corporation was faced with losing its largest customer, the government of the day -- and I might mention that it was a Yukon Party government, a conservative government -- put in place the initial rate relief program.

Now, this program had at its core an integral part, a clawback -- or a disincentive, if you will -- to discourage excessive electrical consumption. In other words, it was an energy conservation incentive. Basically the rate relief program at that time maxed out at 1,000 kilowatt hours, which was considered to be the average use for an average residential customer. Then it declined on a progressive scale to zero when it hit 1,500 kilowatt hours. I know that you lived here then, Mr. Speaker, so I know that you're intimately familiar with how that program worked in its day, and I'm sure that you appreciated the relief that it provided earlier in your career when you had to pay these bills -- you still have to pay them, but early in a career when affordability was probably a very, very important issue, as it is for most young people and young families.

So this program, in other words, did two things, Mr. Speaker. First, it provided stable electrical bills to ordinary Yukoners who had played no role in increasing these bills. They had no say. They had no role. It was not happening due to any lack of foresight on their part or any of their own actions. Second, it capped the relief at 1,500 kilowatt hours to discourage excessive use, which, at the time, might have led to in-

creased use of diesel-generated power for those people who were connected to the Whitehorse-Aishihik-Faro grid, if we were back to using more than the hydro power available at the time in peak periods, as well as for those rural customers who were 100-percent diesel dependent. So it was to be a disincentive for people not to become too reliant on inexpensive electrical power at the cost of the system.

Now, this program continued from 1992 to 1997, basically in that format. From 1997-98, there were a number of programs implemented by the government of the day using the diesel contingency fund as a stabilization rider, but it still had a similar result. Now, following the successful energy commission chaired by the Member for Kluane -- and I know he was elaborating on some of those things earlier, during which many, many subjects were reviewed -- this program did carry forward in a similar fashion and it carried forward through the Liberal administration, until the Yukon Party government was elected in the fall of 2002.

What did they do, Mr. Speaker? What did they do? They changed the program. They changed it fairly early on within their first year or so in office. What they did was discard the energy conservation component, this so-called clawback. Why did they do this? We don't know; we can only presume it was because they weren't actually interested in energy conservation -- not back in 2003; certainly not in November of 2003, when they put out a news release entitled, "Electricity Customers to Benefit from Rate Subsidy Program." Maybe they were worrying about their own electrical bills or those of their friends, who were perhaps burning more than 1,000 kilowatt hours or 1,500 kilowatt hours per month. Maybe they had very large usage and so they didn't like the cap, they didn't like the clawback.

Maybe it's because they still doubted the veracity of the link between human-produced greenhouse gases and climate change or global warming. We know that the former Deputy Premier stated in this House that that issue was still in scientific doubt. We know that the current Premier was a Johnny-come-lately to this issue. He didn't speak about this and the need to cut back on greenhouse gases, the need to look at what kind of fuels we're consuming and how we're conducting our energy usage in this territory -- that wasn't too important to this Premier, this Environment minister, until very recently.

I don't know. Perhaps they were members of the Flat Earth Society. I don't know, but it was wrong-headed; it was an anti-conservation measure to alter the program in this way.

Nevertheless, this government is the creator of the current RSF, or rate stabilization program in its present form. They invented it. Lately there has been lots of talk by the Environment minister, and he refers to it as a "subsidy" in this House. When I refer to it here as the rate stabilization fund, the RSF -- which is its legal name -- he said, "this so-called rate stabilization fund, if that's what you wish to call it". Well, I call it by its official name. I'm presuming that, if the government had wanted to call it a subsidy, that's what they would have called it in 2003.

Nevertheless, they are responsible for this fund, which, lately, they've been denigrating as an anti-conservation item

leading to greenhouse gases. I agree with them, because of the way in which they altered it -- the mistaken way.

In November 2003 this government put out a news release. In that news release they touted this newly modified anti-conservation model of the rate stabilization fund. The current Energy, Mines and Resources minister -- he's still the Energy, Mines and Resources minister -- said -- and this is from the government's news release. I'm sure, when he has the next opportunity to speak, he'll say that we can't rely on this member, that he's just quoting part of it. Well, I know I'm not allowed to read an entire document here, Mr. Speaker, but I'll read some excerpts from it and, if challenged, we could read the whole thing. I'd be happy to file it here, but it's a government release so I don't think that's necessary.

It's release No. 03-251. In the interest of paper conservation, I'll allow members to research that on their own on the government Web site.

In this release the Energy, Mines and Resources minister said, "The different summer subsidy level penalized those customers who use more energy in the summer months. Seasonal operators, for example, were being unfairly penalized as their highest energy consumption was in the summer tourist season. They had no choice but to use large amounts of power during that time. Now they won't have to pay a penalty."

This Yukon Party Energy, Mines and Resources minister went on to say that this is a good news story, particularly for small- and medium-sized businesses. He said, "In terms of timing, it also makes sense to introduce the amendment now, as there is a surplus of hydro on the Whitehorse-Aishihik-Faro system and the Mayo-Dawson system." That is, by the way, the same Mayo-Dawson extension that this government is so frequently quick to criticize.

And I notice there is no talk of arm's length when they want to refer to or take credit for the accomplishments of various Crown corporations. There is no talk of arm's length when they want to lay blame for the operation of a Crown corporation on former governments. But when they want to make excuses for why they haven't acted on an issue -- like the nursing shortage at Whitehorse General Hospital, for example -- then things are conveniently at arm's length, then they're out of their control.

Earlier today we heard that the Yukon Housing Corporation is at arm's length. So it's a moveable field, and I don't want to stray too far from this issue, but I'm just pointing out that it hasn't been very consistent when Crown corporations are at arm's length and when it's a very, very short arm, indeed.

In any case, what is our position? Well, I think that this amendment speaks to our position, which is that we want to make sure that, in the important zeal to pursue a grid extension, we don't forget about the consumer and we don't end up trying to finance part of that, for example, on the backs of the consumer.

We're pro-grid extension. We think it's good for the economy. Obviously, not only are there going to be the jobs that are created in building the extension -- and, hopefully, a lot of Yukoners would be employed in the planning, engineering and the actual work -- the line-cutting, the surveying, and the con-

struction. That's a good thing. But we don't build things just as make-work projects. I mean, they have to have an ultimate good use, but it is good for the economy because it is good for business.

It's good for business to have stable sources of reliable power and, generally speaking, hydro power is more reliable than diesel-generated power and it's certainly more predictable, in terms of its long-term costs because, once we recover the capital costs -- or the cost of creating additional hydro power, if we were to do that some day -- of extending lines and interconnecting lines, then we have a stable source of power and we can predict from year to year what it should cost to produce that power and to supply that power to Yukoners.

It's good for the environment and it's good for addressing issues of climate change. Obviously it would be a benefit to have the community of Pelly -- and ultimately, if it's found to be cost-effective, to extend it to Stewart. It's good for those communities to get off diesel and end up having the ability to have that stable power supplied to them. This government has indicated that it's good for mining companies. It's good for Sherwood Copper at Minto, as long as the terms and conditions of the deal are good for Yukoners. That's all we've ever said -- that it's good for conservation. That's why we supported the RSF with the clawback. That's why that was the process that was in place under the former Liberal government. I believe that's why it was the process in place under the NDP government, and I think they still support that, as the third party. So that's why we supported that.

Now, we're pro-mining. I'm pro-mining. I see that the Member for Lake Laberge is laughing at that. He thinks that's funny. Well, I'd like to inform that member, while he's chuckling, that for over a quarter of a century I was a small business owner in the north. I was a small business owner not only before this member was in this Assembly, but before this member was born. I had business dealings with scores of mining companies. I was proud to do that. I was proud because, first of all, they not only paid their bills to me, which allowed me to pay my bills, but they were also good customers. They supported the community in which I lived, as I know Sherwood Copper will support the communities in which it is working now.

So for this Member for Lake Laberge to laugh at that, he should look at his history. He should look into it a little bit, because I was in a mining community and it was a community founded by mining, although there was certainly a First Nation presence for generations before that. But the European presence in that community, the non-native presence, arrived there because of mining. They arrived there because of a gold strike in 1898.

So, we don't live in Atlin or Dawson -- we don't live in these communities -- without knowing the importance of mining. We think that's important, but we also think that it is an important thing to be factual and make sure that we do support these things for the right reasons and in the right way. It shouldn't be on the backs of consumers.

I am pleased to speak to this amendment, because I think it supports the intent and the reasons and how we should go about extending the grid. I actually think that there is more we can

do. There is more we can do. I know that my time is short but, as I have said, there is more. I made reference earlier to the energy commission, which made many recommendations, some of which are still relied upon today and should be relied upon when it comes to having a disincentive to excessive electrical usage, combined with the stabilization for existing usage.

Because I think that there are many good points within that report -- it is a report of government -- I would like to propose another friendly amendment.

Amendment proposed

Mr. Mitchell: I move

THAT Motion No. 113 be amended by adding the following words after the word "grid":

"only if such projects would keep electrical rates affordable for Yukon electricity consumers, as determined in recommendation no. 48 by the Cabinet Commission on Energy in 1998."

The reason I say that, Mr. Speaker, is that this recommendation said that grid extensions and inter-ties should be pursued only if such projects would keep electrical rates affordable for Yukon electricity consumers. I think that is an important point. I think we are getting some important things on the record here today and I look forward to hearing all members of this House address this motion as amended.

Speaker's ruling

Speaker: The amendment as proposed by the Leader of the Official Opposition is not in order. We are still debating the motion as amended and it reads as follows:

THAT this House urges the Government of Yukon to continue working toward the development of a territorial-wide electrical grid, but not on the backs of the electrical consumers by abolishing the popular rate stabilization fund.

Some Hon. Member: (Inaudible)

Point of order

Speaker: The Hon. Premier, on a point of order.

Hon. Mr. Fentie: Just as a matter of clarity, Mr. Speaker; I'm not challenging the Chair. Just for clarity, I want to know if we are debating an amendment or we are debating a motion as amended. It is my view that we haven't amended anything yet. We are still debating an amendment tabled by the Official Opposition.

Speaker's ruling

Speaker: The Hon. Premier is correct. My apologies if I misled the House. We are debating the proposed amendment to Motion No. 113.

Mr. Cardiff: On the amendment to Motion No. 113, I'd like to take this opportunity to get on record about the rate stabilization fund and the extension of the territory-wide electrical grid.

I think the extension of the territory-wide electrical grid, bringing together the two systems, is overall a good idea, but we need to be careful that ratepayers aren't stuck paying for

something; that we don't see electrical rates rise or that the consumers of electricity are unfairly burdened with costs that they needn't be.

The current government is quick to talk about the problems that there were with the Mayo to Dawson grid extension: the poor planning; the rush with which it was done; the huge cost overruns and the subsequent problems there have been with that line.

It would appear that the current government and the project that is currently being proposed -- the grid extension to Pelly and to service the Sherwood Copper project -- is being rushed quite a bit as well. There seems to be some haste with which the government is proceeding. That is a cause for concern, I think, because I don't want to see consumers here in the Yukon faced with exactly the same issues that we were faced with on the Mayo extension to Dawson. Overall I can see the advantages to it. I can see the advantages as far as economic development. I can see advantages to having hydroelectricity available in communities that would otherwise be burning diesel. But I don't think that it should be done on the backs of electrical consumers. I would certainly hope that that's not what ends up happening.

With regard to the rate stabilization fund, this government changed the rate stabilization fund and took out what was really the conservation measure that was in it.

The Minister of Energy, Mines and Resources, when he announced the fact that they were going to scale back the rate stabilization fund -- actually, the way he puts it is they were going to extend it. But the reality is, I think, Mr. Speaker, that they're going to scale it back for a year to 50 percent and then further reduce it another 50 percent a year from now. When they made that announcement, they also promised other energy conservation programs and measures.

It is unfortunate because they haven't had the courage to announce what those other energy conservation measures are so that, in the clear light of day, maybe we could understand the rationale for what it is that they're doing to the rate stabilization fund, which is basically a dividend to consumers, paid out of the profits of the Yukon Energy Corporation.

I would really like to know what those other energy conservation measures are that the minister has locked away in his closet in his office upstairs, because we would like to support good energy conservation measures that encourage the conservation of energy and the reduction of greenhouse gas emissions.

It's interesting -- I can't believe that it has taken me this long -- but last evening, I watched a movie I'm sure just about everyone in the Legislative Assembly is familiar with -- and it's called *An Inconvenient Truth*. I have to applaud the courage of the person behind the movie, Mr. Al Gore -- former Vice-President of the United States of America -- for the courage he has shown in taking this message not just to Americans and not just to Canadians, but he has taken that message around the world of how critical it is that we reduce greenhouse gas emissions, that we take action now on reducing greenhouse gas emissions. It's through conservation measures that we can do that.

We've heard the Premier stand up and talk about climate change and say, you know, what we need to do is look at adaptation, we need to adapt to the fact that climate change is upon us. At the same time as he is saying that, he's saying that if you look at Mr. Gore's film, you're right. What we contribute to greenhouse gas emissions in the overall scheme of things is not a big thing.

But we still contribute, and the onus should be on us to do everything we can to conserve energy and to reduce greenhouse gas emissions. If extending the grid helps us to achieve that, that would be a good thing.

I think that the government -- the Minister of Energy, Mines and Resources and the Premier when they're talking about conservation measures -- should look at some of the other alternate technologies available out there and what other jurisdictions -- even in the United States, there are states and cities that have signed on to the Kyoto Accord to reduce greenhouse gas emissions and to promote the conservation measures that would reduce greenhouse gas emissions.

So the abolishment of the rate stabilization fund and the taking out of the conservation measures in the rate stabilization fund actually work against what it is that they're trying to achieve, and their unwillingness to announce what measures they intend to take, or what programs they intend to initiate for energy conservation actually boggles the mind.

You would think that if they wanted to do this, as a justification for it, they would introduce those programs and make Yukoners aware of what it is they actually intend to do.

So to go back to the extension of the territory-wide electrical grid, the grid itself, by being extended, would allow for communities -- the community of Pelly at least -- and for mining interests in that area to have access to a clean hydroelectric power.

As part of that agreement -- to go back to the energy conservation side and to the fact that what we're really trying to achieve is a reduction in greenhouse gas emissions -- to get the consumers and communities off diesel power generation is a good idea, but it can't be done on the backs of ratepayers. We can't expect ratepayers to finance these extensions. There has to be a cost-effective way of doing things.

The other thing about electrical grid extensions is that, as I said earlier, I think the Yukon Energy Corporation and the government need to look at other alternatives. Another interesting thing that happened to me is a buddy of mine phoned me from Tasmania last night. Go figure. I hadn't talked to him in quite some time and we got talking about the political climate in the Yukon and in Tasmania. He was talking about some of the initiatives that the government has got going down there in the area of energy conservation. In the City of Hobart, they have a project whereby they are extracting methane from the "tip", which is the landfill. They are extracting methane from the landfill in Hobart and burning it in an efficient thermo-electrical generation unit and actually providing enough power for 60 homes.

There is a capital outlay to do this, but the reality is that there are technologies available. You look at other areas in Europe where they're using wind power and solar power. And

we have examples of wind turbines up here on Haeckel Hill. I will admit that there have been problems with the wind turbines on Haeckel Hill, but the technology is improving because it's becoming a necessity. If we want to save this planet, if we want to have a place for our grandchildren and our great-grandchildren to live and if we want this planet to survive, then it's pretty clear that we have to turn things around a little bit. We have to look at what it is that we're doing to the planet, and if we're doing that through the extension of a territory-wide electrical grid and that helps, then that's a good thing. But once again, we have to consider whether or not we expect ratepayers, the consumers of electricity, to pay for those initiatives and we need to involve them in the decisions that are made.

Reference was made earlier to the fact that this government -- and if you look at this government and the apparent willingness to consult, sometimes they want to consult, sometimes it's a little "c" consultation, sometimes it's a big "C" consultation. You know, we heard today about a conference going on that the government sponsored. The government is a member of one of the organizations that's putting the conference on, and it's about transportation and energy. I'm getting a quizzical look, but the reality is that the Government of Yukon is a member of WESTAC. But there was no consultation with First Nations. First Nations weren't invited to the conference.

Speaker's statement

Speaker: Order please. We are speaking to the amendment here. This has nothing to do with the amendment. Please stick to the subject.

Mr. Cardiff: My point about consultation is that there is a need for a comprehensive energy policy to deal with things like grid extensions, to deal with things like rate stabilization funds, to deal with things like conservation measures that Yukoners can buy into, that consumers of electricity can buy into, that people who are concerned about the environment that we live in and who are concerned about the planet that we live on -- we need a comprehensive energy policy that addresses all of those issues.

The point about consultation is to be inclusive -- to include people who have an interest in that. Just about everybody in the Yukon would have an interest in territory-wide grid extensions, the rate stabilization fund and any conservation measures because they affect their cost of living. If their electrical rates go up, that affects their ability to provide for their families.

It's admirable, I suppose, that the Government of Yukon wants to continue working toward the development of a territory-wide electrical grid and provide good, clean energy to Yukoners, but at the same time it has to make economic sense for the public utility.

If you want to talk about electricity and electrical grids and energy conservation, you can hardly talk about electrical grids in Canada without talking about the greatest Canadian. That was one of the first things that Tommy Douglas ever did. When he became Premier of Saskatchewan, he electrified Saskatchewan and he did it for the benefit of consumers. He did it for the benefit of the residents of Saskatchewan. If we are going to extend the grid, we have to take all that into consideration. We

have to think of the people who are ultimately going to have to pay for it, which will be the consumers of the electricity. They need to be assured that they are not going to be negatively impacted. They need to be assured that there will be programs, funded through the profits of a public corporation that promotes energy conservation in a good way and that takes advantage of new technologies that are available in this industry.

With that, Mr. Speaker, I will conclude. I can support the amendment and I would like to see the conservation measures put back into the rate stabilization fund.

Speaker: Are you prepared for the question on the amendment to the motion?

Mr. Fairclough: The government is not going to get off that easy on this matter. I would like to speak to the amendment as it was presented by the Member for Klwane.

I am surprised that the Yukon Party government and MLAs are not speaking to this amendment. It is important. I support this amendment, because I don't want this government to be sticking its hands into Yukoners' pockets. That is what is being done right now with the elimination of the rate stabilization fund.

I think that the members opposite know that they are going to make money by reducing the rate stabilization fund and it will go toward the purchase of, let's say because it is not earmarked, diesel generators at the Sherwood Copper Corporation.

So, in other words, Yukoners are going to pay for that, and it may be that we're not even going to be using the diesel generators at all.

I think this amendment makes a lot of improvements to the original motion that was put forward by the Member for Klondike, and I'm hoping that the Yukon Party supports it. If they understand it, they will.

It wasn't that long ago that, through press releases and news releases of the government, basically it was supporting this. As a matter of fact, this is what was said, and this is partly why the Member for Klwane put this amendment forward. This is what the Minister of Energy, Mines and Resources said at the time -- and I quote this, and it was already quoted once: "... that they will make long-term recommendations about the future of this program prior to its expiration date of March 31, 2007."

So, that was a commitment in the public at the time in the *Whitehorse Star* by the Minister of Energy, Mines and Resources. He said that. Is that another broken promise, as pointed out by the Yukon Party? I think so. So what happened to this planning? Did the minister just conveniently forget about it? Does he have another plan?

I think it's important that the Yukon Party members understand this too. I know that it does take a lot to wrap your minds around the whole issue of electricity and energy in the Yukon -- the processes that need to be followed and so on -- and it takes a lot to understand it. From what I gather, this rate stabilization fund was kicked into gear after a major consumer came off-grid, and that was Faro. They basically subsidize some of

our electricity -- the consumers. And once they were gone, the rate increased and the rate stabilization fund kicked into gear.

That's what happened. Before a major consumer comes on board, this Yukon Party government wants to tap into there and dig into their pockets and take money out. Over the next few years, that's exactly what could happen. I know the members are very well aware of this. They know it. They're digging into people's pockets. They have their hands in consumers' pockets, and they're pulling money out -- some \$200-plus a year from each electrical consumer -- \$200 a year for this first year, and then it will be \$400 after that. They're quite okay with that. We're not, because we feel that if you're going to extend the grid, it should not be on the backs of electrical consumers and they shouldn't be paying for it.

We've asked the minister before in the House to extend the rate stabilization fund until this major consumer comes on so that the money is not taken out of consumers' pockets -- really simple. It's almost as if those who are buying electricity from Yukon Energy Corporation are penalized by this Yukon Party government -- \$400-plus a year, in the end, and \$200 in the first year. That's the Yukon Party government digging into the pockets of Yukoners. I think that's wrong of the members opposite to do that.

So I'm hoping that they will see the light, vote in favour of this amendment as it was presented, and continue the rate stabilization fund until a major consumer comes on-line. It's really simple, easy, and it's easy to understand too. That's the thing about this -- I know even the Minister of Energy, Mines and Resources could understand this too, if he really put his mind to it. So it doesn't take much. Satisfy Yukoners by doing that. Don't have this impact on them because the government wants to do this grid extension. Don't do it.

We would ask the Yukon Party government to continue the rate stabilization fund. Constantly we're asked by the Yukon Party to give suggestions to government. This is one that's positive. The minister and the members on that side of the House need to take it seriously, because the next time they go to their communities, that's what is going to be brought up -- you're increasing our rates. It's not about decreasing the rate stabilization fund -- it's increasing the rates to consumers. That's what they're going to say.

As a matter of fact, we brought up another motion on the floor of this House in regard to the municipalities, for example, feeling the increase -- the community of Faro not having the swimming pool open. It's all these little increases in cost that are eating away at the overall block funding that they get every year. This is another one that you can mark up on the Yukon Party calendar and one of the things that they've done. I don't think Yukoners are very happy with this Yukon Party government digging into their pockets again.

Is it clear? It is on this side of the House. That's why we're putting forward the amendment to the motion.

There's no need for the Yukon Party to be embarrassed that their motion is amended, not at all. It makes it better. As a matter of fact, if the Yukon Party MLAs decided to vote in favour of this amendment, you can bet that they're going to take this motion and show it to Yukoners and say, "Look, we're not dig-

ging into your pockets. This is a good thing. Everybody agreed to it on the floor of the Legislature; all MLAs agreed to it," and they would take credit for it.

Well, we don't mind if the Yukon Party takes credit for this. We understand what our position has been all along and I'm hoping that all members support this. No need to dig in Yukoners' pockets. Clear? It's clear to us. There's no need to dig in Yukoners' pockets. Put the rate stabilization fund back to where it was; do not cut it in half until we have this major consumer on-line. Real simple; real easy; it's friendly to Yukoners. Don't dig in our pockets.

That's the message the Yukon Party is going to get if they approve and continue with this cut to the rate stabilization fund.

In making this amendment, Mr. Deputy Speaker, we are supporting the Government of Yukon continuing to work toward developing a territory-wide electrical grid. We support that and I support it. I know the impacts it will have in my riding. It has been talked about for many years. It started. Dawson is hooked up to the Mayo dam now. That got rid of their diesel generators. If we can tap into Mayo's hydro dam, it provides power to the rest of the Yukon too. Then we could make improvements in Mayo on the dam there. We could make improvements to the electrical generation there, as was done only a few years ago. I know it costs a lot of money and it was a project that went overbudget. We all realize that and we should learn from it. The Yukon Party should learn from it too.

It is not as if Yukoners, or even politicians, have done this type of work very much in the past. It is major work. In the end, we will all benefit. Let's learn from that and ensure that Yukoners are not impacted as much as before, due to a project of this size. I am hoping to sit down soon and hear from Yukon Party members about their views on this matter. Basically, the amendment means that, if agreed to, the rate stabilization fund would continue.

I know that the Speaker was a bit concerned about the Member for Mount Lorne bringing up consultation, but I think it is important. We on this side of the House are going to mention that on most things the Yukon Party does, because there isn't any there. If they had consulted with consumers on this matter, they might have gotten a different message, a different direction.

As a matter of fact, they all heard and read the petition as it was tabled. People are speaking out on this matter. Go down the streets here in Whitehorse or the streets in your community, and that is what they are going to talk about. At any public meeting, rate increases are what the Yukon Party is doing. In the public's mind, it is not the reduction by 50 percent of the rate stabilization fund; it is an increase to their rates. When you see a bill going up and you are paying more, that is an increase to your power bill. That has an impact on consumers.

We are asking the government to go ahead and continue work on expanding the grid in the Yukon, but not on the backs of the electrical consumers. Don't do it by abolishing the rate stabilization fund. It's a really clear, simple message.

Why isn't the government side talking to this? Are they not getting any feedback from the public at all on this rate stabilization fund? Are they not getting anything at all? I find it really

hard to believe that none of them -- or they feel that not a big enough percentage of the public is coming forward to them on this matter. It is a major issue. To the minister it isn't. It's not his money; it's Yukoners' money. Don't take it out of our pockets. That is what Yukoners have been saying.

So I expect that the Yukon Party side will vote for the amendment. It doesn't change the motion dramatically. It is following it by adding something to it that is supported by the public.

I know the members opposite know it, and I don't know how the Yukon Party makes their decisions on this, who is giving the marching orders and who is in control of this, but MLAs on that side of the House had better start speaking up for their constituents. If they can't, we're going to have to be asking these questions forever. I know if every one of them goes back into their ridings, this is what they're going to hear. The members opposite know it. It means millions of dollars to this government, and that means money coming out of Yukoners' pockets. And they'll never get rid of that image -- ever, ever, right until the next election -- that they have their hands in Yukoners' pockets, consumers' pockets.

If the Yukon Party agreed to this amendment, then maybe they can continue with their promise to put a long-term plan in place before -- well, you can't do it now, because it has been extended for three months, but perhaps put a long-term plan in place before the extension date the minister gave of three months runs out July 1, when people's power bills will go up.

I don't know what the Yukon Party doesn't understand about it. July 1, their power bills will go up. It's a convenient date; we're not in the House. The House isn't sitting but -- guess what? -- this issue will come back to the floor, definitely, and they will hear it in every community tour that they do across the territory all summer, and it will be an issue. It definitely will be an issue. We're already hearing it. I've attended one meeting in my community of Carmacks, a municipal meeting. They talked about power rates going up. Their power bill is going to go up; the municipal power bill is going to go up; they're talking about that.

I'm hoping that the Yukon Party side hears what Yukoners are saying.

Here's another one. Everyone knows that energy costs are going up, whether it's fuel or electricity -- thanks to the Yukon Party government regarding electricity. Why can't the new buildings have energy efficiency incorporated into them during construction? The Yukon Party had a chance to do it on the Carmacks school. They could have designed something different. It didn't happen -- didn't happen because, I guess, the will just wasn't there at the time.

Everything else that involves government monies could have this -- solar power, for example, at the sewage plant in Carmacks. Why not have that?

Some Hon. Member: (Inaudible)

Mr. Fairclough: I have two minutes. I thank you, Mr. Deputy Speaker.

This amendment adds to the motion. The Yukon Party has to agree to that. There is no way that they could push this aside and not agree to it. They have to agree with this. Every Yuk-

oner supports this. It makes the motion better. Can any one of the Yukon Party members speak to it? Can they? Or, are they just going to vote it down? Is that how it's going to be?

I want to hear from them, Mr. Deputy Speaker. I want to hear from the Yukon Party to see if they are on the side of Yukoners.

Mr. Inverarity: Well, I feel compelled to speak on this amendment, Mr. Deputy Speaker, only because we have no idea how the government is going to vote on this. It probably could have been done here a long time ago, if they had gotten up and said they were going to support the motion.

But I have to say that it's incumbent upon us to try to convince this government that this amendment is so important that we have to actually stand up and talk and keep saying, "You should vote for this amendment. This is important in life."

I'm not going to spend a lot of time talking, but I feel that this issue is important. It's not really my critic area, but I have spent some time in this field. I worked for Yukon Energy Corporation at one point around the turn of the century. I was a project manager there and so I got an opportunity to visit all the Yukon Energy sites. I went down the 18 storeys at the Aishihik dam -- the biggest elevator in the Yukon. My role there was as Y2K project manager, so I was overseeing the development and work to ensure that our energy system was Y2K compliant.

I have to say that it was a raving success. We had no problems at all with the energy system. I have to thank all the hard-working Yukon Energy Corporation employees who spend countless hours ensuring that our system is maintained over and over again through the failures that we have had occasionally, such as when birds get in the way and so on. But these individuals get out at night, in wind storms and snow storms, and they do an excellent job of trying to keep our grid up and running. That is what we are talking about -- extending the size of the grid.

Mr. Speaker, I have to say that I am totally amazed that this government would actually cut back the rate stabilization fund by 50 percent at the beginning of July. To me it makes no sense for the government to do this. Here they are saying that the rates are going to come down within a year and that these rates will easily -- at least that is the interpretation I have -- supplant this rate stabilization fund. Why shouldn't we wait a year? The funds are there. They have \$85 million in the bank. If they are serious about meeting constituents' needs and about the high cost of energy, they would surely see that it is worth leaving this rate stabilization fund in place for a whole year until they can come in with their rate reductions. I think we would then be very proud and see that things are moving along smoothly. But they can't even tell us how much the reductions are going to be for this fund. Maybe it's all smoke and mirrors. I don't know. It is something that is an issue for us.

If they can't guarantee that the rates are going to come down in a year, then why take the risk? Why put it on the backs of the ratepayers? That's what this motion is about: not putting it on the ratepayers' backs. I think this is a positive motion and I think that the members opposite should stand up and say, "Yes, we support this. We think this is the best thing since

sliced bread. This is going to help everybody in terms of increasing the power grid."

I'm going to talk a little bit later on the actual motion and I have my notes on that. I'm going to keep my comments short today, but I think that it's important that the government realize that, although they were elected -- and they seem to have this idea that this election has given them carte blanche to do whatever they want -- they need to get out and talk to the constituents. They need to find out that they're upset about the rate stabilization fund cuts and that it hurts them. There can't be consultation by election -- they need to get out there and hear what the individuals are saying, and they're not doing that.

Obviously, I want to keep things as short as I can, because we want to get on with the vote on this particular thing, but I do believe -- and I've mentioned it already -- that I think the Yukon Party should stand up and tell us how they're going to vote on this -- tell us what they're going to do. Clearly, if they vote against this particular amendment to the motion, then they don't believe that they need to protect the consumers' rates.

On that note, I will sit down and we'll move on and see if any other members of the House would like to talk.

Speaker: Are you prepared for the question on the amendment?

Some Hon. Members: Division.

Division

Speaker: Division has been called.

Bells

Speaker: Mr. Clerk, would you poll the House.

Hon. Mr. Fentie: Disagree.

Hon. Mr. Cathers: Disagree.

Hon. Ms. Taylor: Disagree.

Hon. Mr. Kenyon: Disagree.

Hon. Mr. Rouble: Disagree.

Hon. Mr. Lang: Disagree.

Hon. Ms. Horne: Disagree.

Hon. Mr. Hart: Disagree.

Mr. Nordick: Disagree.

Mr. Mitchell: Agree.

Mr. McRobb: Agree.

Mr. Elias: Agree.

Mr. Fairclough: Agree.

Mr. Inverarity: Agree.

Mr. Cardiff: Agree.

Mr. Edzerza: Agree.

Clerk: Mr. Speaker, the results are seven yea, nine nay.

Speaker: The nays have it. I declare the amendment negated.

Amendment to Motion No. 113 negated

Hon. Mr. Lang: Of course we are back to debating the original motion, which was put forward by the Member for Klondike. It is a very important motion, that this House urges

the Government of Yukon to continue working toward development of a territory-wide electrical grid.

This motion is speaking about economic development. It is speaking about the environment and it certainly is speaking to the long-term vision that this government has in its economic and environmental plans to move forward in managing the territory.

Mr. Speaker, the members opposite obviously have issues with economic development and, of course, by short-circuiting the expansion into Minto mine, they visualized it shutting down the mine and that, of course, is the attitude brought to the Liberal Party by the Member for Kluane, whose attitude was always "just say no." Well, this government isn't just saying no. This government is working with the affected First Nations, industry, and the corporation to make a success out of this grid expansion.

Mr. Speaker, the Member for Kluane talked at great length on how the Liberal government managed the Mayo-Dawson grid. Of course, when he was in the NDP in opposition, when I first joined this House, he was demanding a public inquiry into the mismanagement of the Mayo-Dawson line, very publicly. It's in the Blues. He was very vocal in his demands about how we as a government should move forward to chastise the Liberal government of the day for the mismanagement of the electrical grid, which we all understand was mismanaged. It was mismanaged to the point, Mr. Speaker, that we have been working on the issue as government, of course with the Energy Corporation, to date, and we haven't finalized the actual costs of that extended line.

That was a political decision the Liberal government of the day made, to put the line from Mayo to Dawson. It wasn't an economic decision or it wouldn't be in the mess it is today.

The Energy Corporation has moved forward in conjunction with the Yukon Utilities Board to make a business decision on the expansion of that power grid.

The Liberal Party missed something in the decision-making process. What they cut out and the reasons why the Member for Kluane was demanding a public inquiry was because they missed a big part of the decision-making process. They missed the Yukon Utilities Board. They short-circuited the Yukon Utilities Board. They had sober second thoughts. That is where it was glaring that it was a political decision; it wasn't a business decision.

This government inherited it. This government solved as many of the issues as it could. Certainly nobody wins when it goes to litigation and that's where this is heading. Due to the political decisions of the Liberal government of the day, Yukon consumers don't know what the final cost of the Mayo-Dawson line is still today.

When we mention figures about management and tools and this government -- which, by the way, was elected to make decisions for the territory -- we take it all very seriously. We take it seriously to the point that we have checks and balances. We try to make decisions, especially when it comes to great costs like an expanded hydro grid, so we don't leave the Yukon Utilities Board out. We don't short-circuit the process. We are not like the Liberals of the day. We work with the Yukon Utili-

ties Board and we react when the Yukon Utilities Board comes through.

The member opposite was discussing the PPA that the corporations agreed to with the consumer -- the mining company. It didn't protect the ratepayers. They had to go back to the drawing board. That's what the Yukon Utilities Board does, Mr. Speaker: it is sober second thought. They did go back. The consumer and the corporation went back to the drawing board and saw how they could make it a better fit for the consumer on this expanded grid.

We also went to the Yukon Utilities Board with a part 3 review. Again, the Yukon Utilities Board was a big part of the decision-making process. Again, the Liberal government of the day did not allow that to happen on the Mayo-Dawson line.

So the product reflected exactly those decisions. It was a very bad business decision and even worse political decision because, at the end of the day, the decision they made politically came back to haunt the government of the day -- because they didn't follow the process, because they made a political decision.

And I'm sure that the Liberal government of the day thought that it was a good decision and they would just short-circuit the Yukon Utilities Board because they were under pressure to get economic development going in the territory, and they saw a sure bet. The Liberal government thought that this is a shoo-in, Mr. Speaker -- this electrical line, this expansion from Mayo to Dawson is a shoo-in. Well, the proof is in the pudding -- poorly managed, poorly thought out, and a horrendous business decision on the backs of the ratepayers of the Yukon.

The members opposite from the Liberal Party stand up and defend the ratepayers of the Yukon? Mr. Speaker, they should wear horsehair shirts because of decisions like that. That party, with its political decisions on energy and a hydro line, has put the Yukon consumer in a position that is going to haunt the consumer for years to come. That is why this government is going very, very in sync on decisions -- Yukon Utilities Board, part 3.

And then, this government -- the Yukon Energy Corporation -- has to prove to us that this is a good business deal.

Now, the mine is quite prepared. Their business decisions are diesel. They have a business plan together like any other good business. Their business plan includes diesel power. Now, in partnership with the corporation and Yukon Energy Corporation, we could see a hydro line between Carmacks and Pelly to start with that would benefit the Selkirk First Nation, the corporation, of course, and the government.

But we haven't made that decision yet. The corporation has not made that decision because the corporation is going to do its homework.

Because of the load that was put on that corporation when the Liberal government was in power, they certainly are going to do their homework on the next phase of this project.

The members opposite talk about the viability of hydro and how they're for industry, but they can't vote for industry; they're for mining, but they can't put their head around a business deal that would incorporate a partnership with industry;

they talk for weeks on the environment issue and they get up and trumpet how they are the environmental individuals in the Yukon; they can't see the benefits of taking the Minto mine project off diesel power, that in fact the Yukon Energy Corporation -- the good corporation that it is -- has somehow cooked the books on emissions; that we aren't environmentally astute enough to realize that the Member for Kluane's figures have never been right in this House.

That's the nature of being in opposition. That's the good thing about being in opposition. You can say and bring figures into the debate that have no semblance to reality. All the Member for Kluane has to do is say, no. They can just say no; he can spend 40 minutes on the other side debating a subject on which he has very limited knowledge. It's incredible, but the facts are that, if you read the Blues, the member opposite's figures are not right and have never been right. He speaks from the opposition side and that's what the opposition does -- they oppose. They just say no.

Governments of the day look at hydro; they look at the future of the territory; economic opportunities; partnerships with corporations and First Nations; land use planning for north Yukon; opportunities in southeast Yukon; our forest management plans; our energy plans; and where we would like to see the territory. If we are successful at putting the line between Carmacks and Stewart -- tying it into the line that runs between Mayo and Dawson -- then to manage that kind of energy we could look at upgrading the hydro facility in Mayo and maximizing the output there.

We could take a look at our operation here in Whitehorse and upgrade and modernize that facility. With the third wheel in Aishihik, the Member for Kluane said it is not necessary; it is not necessary until 2012. Well, we're in 2007 now and we won't be up and running until 2009-10. So we've just pushed the date ahead by 24 months.

By the way, it fits into a program where the federal government will give us \$5 million toward the project. Again, the Member for Kluane: just say no. Just say no to the third wheel, which would mean that we wouldn't have to burn those diesels that we have situated on the side of the Yukon River. It would mean that these individuals in Riverdale, at peak times, would not be interrupted by the diesel operation at the hydro project.

Some Hon. Member: (Inaudible)

Hon. Mr. Lang: I have the floor. The Member for Kluane had 40 minutes to put on the floor the questionable information that he did. I have a mere 20 minutes as the minister, and I have 100 percent of the responsibility with my colleagues.

The Leader of the Official Opposition makes light of our responsibility as government. We are the government. We were elected to represent our ridings and represent the Yukon. Also, we were elected to make decisions. The members opposite were elected into opposition and they can oppose, and they do that very well. I've been in this House for five years and I've seen members vote against improvements in their own ridings. They vote against seniors complexes in Haines Junction, so I'm not surprised that they would be negative toward our proposal on the third wheel at Aishihik or expanding the job opportuni-

ties we could have by having a grid between Carmacks and Stewart.

Those are the kinds of things governments do. Governments do interesting things because governments have the flexibility, and if you have the foresight and the management skills to do it, we could turn this so-called gamble that makes a poor economy good -- this a gamble and negativity on the hydro line. Also, it could make a good economy great. Those are quotes. Those are individuals on the streets saying to me that we are doing the right thing, that we are actually looking at the economy and putting people to work. I support the Member for Klondike's motion. It is a very solid motion.

We are committed as a government to look at opportunities to tie in the hydro line. There are many challenges out there, Mr. Speaker, and many naysayers like the member opposite. But the average guy in the street is looking at us for direction and for leadership, and I think this group has done a tremendous job.

I support this motion and I hope the House will support this motion so we can move ahead. We will work on expanding the hydro facilities and the lines between the two grids. We accept the responsibility that the people gave us last November and we will do the job they assigned us.

Mr. Mitchell: I thank all members for their remarks today. Some of them have been illuminating; others have been disappointing. I was certainly disappointed to see that nobody on the government side was prepared to stand up for the ratepayers, the consumers. That was extremely disappointing.

This open-ended motion -- "THAT this House urges the Government of Yukon to continue working toward the development of a territorial-wide electrical grid" -- was improved by adding that it not be on the backs of electrical consumers by abolishing the popular rate stabilization fund. The members opposite didn't want to protect them.

I can only presume that if they couldn't support "not on the back", then it must be the converse -- at whatever cost and regardless of the impact on the ratepayers. That must be implicit in their decision. That was extremely, extremely disappointing.

Now, I think there are some things we've heard here today -- there is some information. Some of it wasn't terribly accurate but, nevertheless, we'll have to try to address it. There was information regarding the Mayo-Dawson power line extension, which becomes an integral part of this grid interconnect. There wouldn't be a grid interconnect if there wasn't another grid.

In any case, the members opposite chose to criticize the officials of the day, some of whom are still the officials today. They criticized the officials for Yukon Energy Corporation; they criticized the board; they criticized everybody for the decisions they made. And that's fine. That's fine. They can do that.

The Premier thinks it's funny. He laughs at officials. He laughs and thinks that's humorous.

But there are reasons why we should be looking at this with a very careful eye. Let's look at some of the costs that have come forward from the Yukon Energy Corporation. On February 8, 2007, in their initial application to approve the

Minto mine PPA, they said: net capital costs, low costs, \$17.2 million; mid-point costs, \$20.2 million; high costs, \$23.1 million. That was the range -- some \$6 million, from \$17 million to \$23 million. It's a third. It's a pretty big range.

But then they did an update on April 2 for the next stage of the application and, lo and behold, the costs are \$19.3 million for the low. The low is now almost the mid-point cost -- \$22.6 million for the mid-point -- and \$25.9 million is the high. So we see how, in just a few short months, the numbers can change.

Now, it's interesting. We hear all the time the explanation from the members opposite when it comes to explaining how projects cost more than they were budgeted for. What happens with the Carmacks school? What happens with the Watson Lake hospital? What happens with every project that this government has undertaken? Or virtually every project -- I shouldn't say "every", but almost every project.

We find that they come in delayed and over cost, and what do we hear? We hear: this is because the price of steel has gone up; this is because the price of copper has gone up; this is because the cost of labour has gone up; this is because the economy is so boiling hot that things cost more and we can't get people to work for the same rates.

It is interesting. This morning we heard news of Enbridge Energy Partners -- they are a pretty big company -- and what did they say? They said the costs are escalating on an Alaska Highway pipeline. The cost of the environmental studies alone is probably \$1 billion -- \$1 billion before a piece of dirt is moved. A billion dollars. They said the project will cost many, many billions more than was originally anticipated. What does that tell us? It tells us that project costs do increase. We know that; we've seen that. We have a Public Accounts Committee report that shows that.

What are we doing now? Well, we are looking at a proposed grid interconnect. We don't have final costs; no final costs have been identified. In fact, I believe the Yukon Energy Corporation has said that when they do have some engineering numbers, they are not going to make those public. They are going to say that those are numbers and, if they were to make them public, I believe they said it would cause potential bidders to change their bids based on that information.

So, we are not certain how the Yukon Utilities Board is going to realistically make a decision on this without having hard figures that they can count on.

The government has said and the chair of Yukon Energy Corporation has recently said publicly that we need to make this as a business decision and, if the costs are not realistic, then we can't do it.

That's the whole reason why the deal with the mining company has been proposed: to help subsidize the costs. It's a good idea in principle, but you still need to know what the costs are.

If the government is so convinced that this is just good economic sense, maybe they should not put the ratepayer or the taxpayer at risk and just put their money where their mouth is, so to speak, and pay the full costs of this project.

Maybe they should reach into the seven years times \$25 million a year infrastructure funds that are going to be flowing from the Government of Canada. That's \$175 million. Maybe they should just say that it's for the greater good and for the good of reducing our impact on climate change and greenhouse gas emissions, so we'll just bite the bullet and pay for it. They are using that justification. They are saying that this is a climate change issue -- but they haven't done that.

Maybe we should be looking at a whole lot of things. For example, climate change and cutting back on diesel use has been repeatedly cited as a reason for doing this. It is a good reason. Where are the other conservation measures? Where are measures such as net metering, which other jurisdictions do? It is the ability for people who are currently on-grid to sell power back to the utility so that they can justify their capital costs of putting in their own independent power system or generating capacity. That will again result in a net reduction of diesel use across the Yukon, because that many more people will have a source of energy that is independent of diesel. When they are producing in excess of their own needs, they will sell it back to the utility. It will go back into the grid. That is the principle that ties into the idea of not wanting to spill surplus power over the dam, of wanting to sell it to potential users and subsidize everyone in the process. There are a lot of things this government could be doing, but they are not doing any of them.

I want to come back to something, because my time was short before. The Member for Lake Laberge was laughing about our party's commitment and support of the mining industry. The Member for Porter Creek Centre thinks that's very funny. He thinks that's funny. Well, the Member for Porter Creek Centre has had many businesses. I have been in business in the north. He knows, as I know, how important the mining industry is to the territory. He knows that and he knows that I know it, but he wants to paint an incorrect, inaccurate picture. He wants it to look like they are the only people; they were elected as government, so they are the only people who support mining -- only them.

I point something out to the Member for Porter Creek Centre: every member in this Legislature was elected by their constituents, and when their constituents voted, they voted for those individuals. They didn't know what the outcome of the election was going to be. I certainly wouldn't say, come the next election, that if the Member for Porter Creek Centre were to lose among his colleagues, the remaining colleagues would be elected to be in the opposition or to be in the third party -- it doesn't work that way. People run for office and people vote for them to represent them. This idea that you are elected to be the opposition or elected to be the third party, I think, needs to be put to rest. I'm only addressing it in response to the comments that were put on the record today.

In speaking to this motion, is it a good thing to work toward a territory-wide electrical grid? Clearly it is. That's why governments in the past extended the grid to be the Whitehorse-Aishihik-Faro grid. That's why governments in the past extended the grid to connect Mayo with Dawson and, obviously, it would be a good thing to carry forward and connect it. But I'm not sure what's accomplished by just saying that. There

have to be caveats. There has to be a reason why we do these things. We don't just stand up and say, "Is it a good thing that we get up and breathe every day?" It doesn't prove anything; it doesn't accomplish anything.

The members are laughing, because they know that their motion doesn't really speak in any detail to any particular outcome.

We tried to amend this motion to make it more productive. We tried to improve the motion so that it would actually accomplish something, but that wasn't supported on the other side. Members on the other side didn't want this motion to have any kind of assurances that it would not be done on the backs of the consumers.

We think there are other things that should be talked about. The Member for Kluane made an earlier reference to the energy commission, which he previously chaired. There were many good things that came out of that commission.

Some Hon. Member: (Inaudible)

Mr. Mitchell: Excuse me? The Premier would like to put some things on the record, but I didn't quite hear that. If he would repeat them, I'd put them on the record for him. Perhaps he just likes to say them so he can hear them.

I'd like to introduce an amendment. It's a friendly amendment. I know it's friendly because there's laughter and joy on all sides of the House at the proposal of having an amendment. We want to make sure these projects are done in a way that benefits people.

Amendment proposed

Mr. Mitchell: I move

THAT Motion No. 113 be amended by adding the following words after the word "grid": "only if such projects would keep electrical rates affordable for Yukon electricity consumers, as determined in recommendation no. 48 by the Cabinet Commission on Energy in 1998."

Speaker: The amendment as proposed by the Leader of the Official Opposition is in order. It has been moved by the Leader of the Official Opposition

THAT Motion No. 113 be amended by adding the following words after the word "grid": "only if such projects would keep electrical rates affordable for Yukon electricity consumers, as determined in recommendation no. 48 by the Cabinet Commission on Energy in 1998."

Mr. Mitchell: We do appreciate an opportunity to improve government motions, and we appreciate the courtesy that the government always extends to us on this side when we do that, as opposed to approaches like simply adjourning debate during motions. We appreciate that courtesy.

So, again, recommendation no. 48 is one example that I gave in amending this. So what does that say? It says: "Grid extensions and inter-ties should be pursued only if such projects would keep electrical rates affordable for Yukon electricity consumers" -- only if. Long-term affordability, Mr. Speaker.

There have been many proposals over the years for grid interconnects and to simply propose a grid interconnect in the abstract doesn't really do anything on behalf of consumers. It

doesn't do anything on behalf of ratepayers. There have been proposals in the past to interconnect the Yukon with larger grids in other jurisdictions.

There was a proposal in the 1970s or 1980s to interconnect with Atlin, B.C., and the proposal -- which was under the Northern Canada Power Commission, or NCPC, back then -- looked at a large hydro project on Surprise Lake. The idea was that this project could not only supply Atlin, B.C., but it could sell power back to the Yukon. It didn't go ahead at the time for a number of reasons.

There were some problems from the point of view of the environment down there with that particular proposal, and there was opposition to it. The Yukon Energy Corporation revived that proposal a number of years later. In any case, it didn't go ahead because it didn't make economic sense.

So there is no point in going ahead with a grid extension if it's to the detriment of consumers. And that's the point we're trying to make.

They have a smaller project that is going ahead right now, but it won't lead to an interconnect. There were proposals to interconnect Alberta, but the economics didn't make sense. That's what we're trying to get at here today. It is only if, at the end of the day, we can make the business case and it will lead to affordable electricity for consumers that things like this extension make sense.

We know that grid extensions involve significant capital costs. Lord knows that we are endlessly reminded about that by the members opposite regarding the grid extension between Mayo and Dawson, although another aspect of the Auditor General's report, which they don't like to cite, said that, all things considered, it was still actually saving money in the long term for the Yukon and for consumers.

The government members like to criticize the officials of the day for that particular project. They feel that the arm's-length process doesn't exist when it comes to anything that occurred under a Liberal or NDP watch, that it is only arm's length under them, so they will criticize it.

There are many other positive suggestions in this report. I mentioned net metering. There is talk of green power initiatives. There is talk of Yukon-wide emissions trading to provide financial incentives for investment and development of green power. It is interesting, because now we hear about carbon trading. We hear about incentives across the country and internationally, but we had that model proposed here earlier, thanks to the good stewardship of the Member for Kluane, and it was the only successful commission that received support from all parties here. This is unlike the forestry commission, and we still haven't seen a forestry industry flow out of that one. That one went for a walk in the woods. It disappeared between the trees.

We think there are an awful lot of good things that are in here, but we think in particular that grid extensions and inter-ties should be pursued only if such projects would keep electrical rates affordable for Yukon electricity consumers should be the underlying principle of any such decision.

As far as a business case, yes, there should be a business case. The business case has to be there for the mining compa-

nies. It is interesting that the Minister of Energy, Mines and Resources said the mining company has made a business case based on diesel, period -- based on diesel. We can agree with the minister on this. It would be better to see the mine operate on hydro electricity rather than diesel.

What he misses is that we've said: only if it is not going to be at the expense of the consumer. The consumer comes first. The Yukon public comes first and if we can do that and accommodate the mining company, well, that is a good thing. The mining company has a good project. As the minister has said, that project is going to go ahead regardless. We would like to see it as part of an interconnect, but we think it is essential that it should be done in a way that keeps electrical rates affordable for Yukon electricity consumers. That is why we are proposing this amendment. It is to protect the public.

Hon. Mr. Lang: I have to stand up on that one. Talk about abstract. The member opposite -- congratulations -- the Member for Kluane has finally taken over the Liberal Party and is toting out old information and all the stuff that comes along with the Member for Kluane.

I appreciate the fact; we knew it in the past that he would soon muscle his way into the leadership of the Liberal Party.

Some Hon. Member: (Inaudible)

Speaker's statement

Speaker: Order please. I would urge the honourable members not to personalize the debate here. We've been relatively calm all afternoon, so I ask members to continue in that vein. You have the floor, Minister of Energy, Mines and Resources.

Hon. Mr. Lang: I apologize for mentioning how he took over the Liberal Party, Mr. Speaker.

Now that we know who we're dealing with on the other side from a leadership point of view, I will point out to the -- not the official leader, but to the leader of the opposition, the one who collects the pay cheque -- the rate base, as we move forward in this partnership with industry. Again he talks about how he's in the corner with the mining industry and I'll surely have to check with the Member for Kluane to see if in fact he is speaking the argument of the party of the day.

We are working toward the cost not being on the rate base for the consumers. That's what we're doing. We are going to work with industry and we're going to work with the consumer so the rate base won't change and the resources we're talking about are the investment from Pelly Crossing.

The Member for Mayo-Tatchun, who represents the Selkirk First Nation, makes jest of this. This is a huge opportunity for that First Nation. The resources for that community -- and the support that they've talked to me about on the electrical grid -- will get that community off diesel. That money will flow to the Yukon Energy Corporation, Minto will be off hydro and onto a grid and it gives the Selkirk First Nation the opportunity to expand into the Minto area for residents and business potential, as well as the consumers between Minto and Carmacks. Then we have the mine where the resources from the mine -- from the energy costs that they're going to incur through oper-

ating -- will flow directly into the pockets of the ratepayers, of the customers -- all of them.

We will move forward with this economic opportunity through the hydro grid. The members opposite are stuck on 1998 history, Mr. Speaker, as far as the leader of the Liberal Party -- the Member for Kluane -- talks about. The government side is working with the corporation. Certainly it has to make business sense. Regardless of what the Leader of the Official Opposition says, the Mayo-Dawson line was a bad deal. It was a bad deal because, instead of \$20 million, it cost \$35 million, or whatever. He can justify his party's mismanagement of that line by saying that the price of diesel went up -- so all of a sudden it's a good deal? All of a sudden it is acceptable that we had an overage like that, due to mismanagement to this day? This government and the Yukon Energy Corporation and the Yukon Development Corporation are in court as we speak trying to resolve the mismanagement of the last government. Five years it has taken the Yukon Energy Corporation to resolve it and it hasn't been resolved to date.

Mr. Speaker, abstract -- we know that the members opposite are stuck in 1998 mode with their fearless leader from Kluane.

Speaker's statement

Speaker: Order. Again, we are personalizing debate here. I would ask the honourable members to focus on the issue at hand. Minister of Energy, Mines and Resources, you have the floor.

Hon. Mr. Lang: I am sorry I brought that up again, Mr. Speaker. I was wrong to do so. I appreciate the reprimand.

I look across and see the remains of the opposition sitting there with their old documentation and all the facts that they drag out of their history, dust off and bring in, and I see the Energy, Mines and Resources critic with all that old information. He never had the opportunity to micromanage the corporation from a point of government. So, we will be listening, I guess -- until the Member for Kluane eventually leaves the House -- about his day in the sun.

I think it was 1996 or 1997 when somehow he got his hands on that documentation. Shortly after that, there was an election and the government changed at that time. Then we had another election and, of course, the government changed again. We moved into government and, of course, we had our platform, our energy program, and part of that energy program we worked on Understand that when we acquired power in 2002, in December, we didn't realize at the time, and no government did at the time -- whether it was the opposition, which was the NDP, or ourselves, the Yukon Party -- that there was the question about the hydro line between Mayo and Dawson.

Another interesting statistic for the members opposite, which they will brush under the table, I would imagine, is the fact that the Mayo-Dawson line is undersized. It was never engineered properly. So we have a line that, if we move into Stewart -- we're going to have to address the size of the line from Mayo to the Stewart interconnect and then to Dawson eventually. That was management under the Liberal government.

The whole argument about who did what or whatever -- what the government of the day did was to ignore or eliminate the Yukon Utilities Board out of any part of the decision-making process. That was the fault. After that -- without that sober second thought and that expertise -- that was the mistake, Mr. Speaker.

In the rush to do this economic development, in a panic they eliminated the most important part of this triangle -- it was the Yukon Utilities Board -- and then they talk about the consumers and how all of a sudden the Liberal Party decided they're going to protect the consumers. They eliminated the Yukon Utilities Board, and they did it out of convenience because they, in their wisdom, knew what the Yukon Utilities Board was going to say about the connection of the Mayo-Dawson line.

The Member for Kluane, now that he has joined the Liberal Party and become a big booster of the Liberal Party's decision-making apparatus -- and at the end of the day I listen to the individual for three whole years.

When he was a member of the NDP opposition, he was adamant that the Mayo-Dawson transmission line needed an overview and nothing less than a public hearing would justify what had happened on the Mayo-Dawson transmission line. Of course we, as government of the day, understand the fact that public inquiries cost millions and millions of dollars and, at the end of the day, somebody would have to pay for that public inquiry. Guess what? We knew that it was horrendous. We didn't need a public inquiry to tell us that that was a mistake. Any rational individual who looked at the situation when we took over the project understood it was a disaster.

The Liberal government of the day must have breathed a sigh of relief when they were defeated, because they knew exactly what was on their plate if they had come back into power in December 2002. That was a horrendous project gone completely off the tracks.

In addressing this -- and I'm sure that the opposition will want to talk. The gentleman, the Member for McIntyre-Takhini, would like to talk about the issue, and I imagine the Liberals will have to get up and debate the fact that the Liberal way is the best way. I'm going to give them that opportunity. That's what this government does. We're an open, transparent government and we involve the ideas and all the input that those members opposite can present to the House. In fact I am looking forward to the new old -- we can call that the new, old Liberal energy policy that was created by the NDP in 1996, and he will resurrect it on the back of the Leader of the Liberal Party because obviously they are devoid of ideas.

The Leader of the Official Opposition has to resurrect, word for word, quotes from this old document that the NDP found from 1996. That is 12 years ago. That documentation is just a bit older than the Member for Lake Laberge, Mr. Speaker -- just a touch older. All the Liberal Party can come up with as the opposition is that document. They had to steal it from the NDP and come up and quote it word for word. That's how they would manage energy in the Yukon. Of course, at that time, they didn't have to explain the Mayo-Dawson line, because the member opposite hadn't thought of that up until now. They

would have to put a bit of codicil in there and get that Mayo-Dawson line in and maybe put a chapter of good news in there for the ratepayers. But I jest. I understand that they are devoid of ideas in the opposition. I look forward to hearing the Member for Kluane, the energy leader of the Official Opposition.

I see that time is ticking. I see that the Member for McIntyre-Takhini is biting the bullet and jumping into this very important energy debate this afternoon.

But I have to remind Yukoners about the Liberal energy policy. You have to send that out door to door. I am sure that the consumers in the Yukon would enjoy the research that went into it, the future and forward vision of that policy. Maybe the Leader of the Official Opposition could read it in one of his hotels for entertainment in the evening. At the end of the day, we know that the Liberals have no ideas. They obviously have no vision. They are looking backwards, back to 1996. Shame on them.

Mr. Edzerza: Well, thank goodness that's ended, Mr. Speaker.

I want to start out by saying that I believe that maybe the NDP has a new role here as peacemakers because all I listened to through this debate was the Liberals and the government of the day criticizing each other for things that I believe went back almost as far as the age of the member who just left the floor.

But we were elected to make wise, sound decisions when it comes to every citizen in the Yukon Territory. That's why I do support this amendment because it does state specifically that it's to make rates affordable for all Yukon people in the territory who consume electricity. This is not only about mining companies and big businesses. I think there are a lot of citizens at large who may ultimately end up paying for this price tag.

I also want to state for the record that I've heard an awful lot of comments coming from the other side of the floor this afternoon basically accusing the opposition of bringing false information to the floor of this House. I have some issue with that because I believe they are very close to violating Standing Order 19(h), which states that no one is allowed to bring false information to the floor of the House. I don't believe that either of the opposition parties would do that deliberately, and whatever is brought to the floor is what the opposition believes to be fact.

Anyhow, that's just one thing I wanted to address, to make sure that the public at large knows that the opposition has the responsibility to bring things to the floor that are in line.

When we talk about the electrical rates that would basically affect everybody in the territory, we have to consider all the people in the territory who, at this point in time, already struggle with electrical bills. What about those individuals?

I've worked in many different jobs and I know that mines are important. I'm not condemning them. I would say that they are important. However, I think there are a lot of rate fluctuations over the years -- when Anvil mine came in; when they left -- and all these things have a bearing on the consumption of electricity and how the rates will be administered.

I think it's important that we do not get too carried away to the point where individual citizens on the street, elders, and

those on social assistance -- all these people will be drastically affected if the subsidy is eventually taken away.

All the things that are relevant to increases in electricity have to be looked at. I want to put on the record also -- I heard discussions from the government stating that they are about business. It's a good business deal for the government that they buy two diesel generators from the Minto mine, because they're environmentalists all of a sudden. Some of the statements coming from the other side seem to conflict with each other. For one, they say they're going to be environmentally friendly -- that's why they want this electrical grid to go into the Minto mine. At the same time, they want to buy the generators. What is the message here?

What I've been able to decipher from this is that we're environmentalists as long as things work in favour of the government.

However, if this project goes sideways like the other one did with the Liberal government, then they will be willing to fire up the generators. On one hand they say they are doing this for an environmental reason; on the other hand they say if it comes right down to it, we'll pollute the air, as long as that mine runs. It does leave a question as to whether there is real loyalty here toward protecting the environment. I thought it would be a very important point to put on record. I believe this is going to affect every citizen in the territory, and that is why I will support this amendment.

I will give an opportunity for another member to speak.

Hon. Mr. Cathers: It has been an interesting afternoon here. It is somewhat disappointing that the Liberal Party, first of all, had trouble getting its strategy straight as they put forward an amendment and then an amendment to that amendment, which wasn't in order. Then they brought back a later amendment after the first one was defeated, which we are now discussing.

I think that those listening can draw their own conclusions as to whether there was a desire to really debate the motion or simply to filibuster in debate.

I think it is unfortunate, as pointed out by the Minister of Energy, Mines and Resources, how fixated on justifying their past decisions the Liberals and the now-Liberal members are. The reference to the 1998 Cabinet Commission on Energy is, as has been pointed out, a stale-dated document. It was not the most shining example of work in the first place and they are focused on looking back to the past for their new solutions and their new vision. It does not reflect the needs of today.

The motion put forward by the Member for Klondike was a simple motion. It was intended to debate a very simple question -- that being whether members support the principle of extending the electrical grid in the territory and connecting it to reduce diesel usage, to reduce carbon emissions and to efficiently and effectively make best use of the hydroelectric capacity and the wind turbines that we currently have in place -- but the hydro by far being our most efficient and effective source of energy.

The members, instead of debating that and providing an alternative view, have instead attempted to go back to the past

and justify the Member for Kluane's work from his days on the energy commission. It is unfortunate that instead of focusing on the future, they are mired in the past.

Mr. Speaker, I would encourage members to provide a little more to the debate and engage in this and not put forward amendments that do little to actually debate the substance of the motion and certainly do not add to the motion. Focus on the future, not on the past, and look forward.

Mr. McRobb: Well, I'm pleased to stand and speak in favour of this amendment, of course. I thank the third party for their support as well. It also gives me a chance to respond to some of the comments made by the members opposite, especially by the Energy, Mines and Resources minister.

After listening to him talk for 20 minutes, I am having difficulty thinking about how I am going to rest assured at night, knowing that he's not asleep at the switch. In his attack on us for our math, his figures do not add up. He also had his dates all wrong. There were a number of other things. If the member is going to make any arguments of any credible stature at all in this Legislature, he should at least have the right numbers and dates and enough information to make a credible argument. That certainly didn't happen.

We can engage in this back and forth stuff, but once again I prefer to rise above that. There are some really pertinent aspects to the whole transmission line project, which seems to be the favourite topic today when we're talking about extending the grid.

It's currently before the Yukon Utilities Board -- the Carmacks-Stewart transmission line.

Let's talk about this a little more. It seems that a very critical part of the whole application is still missing, and that is the estimated costs. The Energy, Mines and Resources minister has been unable to pin down a number for the final, complete project costs as estimated, and it's just a big question mark.

Yet the Energy, Mines and Resources minister expects the Yukon Utilities Board to evaluate the proposal without even having a number. Well, how sensible is that? That's like bringing a bunch of receipts to a tax accountant to do up your return and they're all blank. What is the board going to do without a number? Good question. It also begs a follow-up question: why would the Energy, Mines and Resources minister not include a total project cost in the application?

Well, maybe he didn't want to get pinned down. We know that is the very nature of the Yukon Party government. I've heard you, yourself, Mr. Speaker, use this term before. It's like trying to nail Jell-O to the wall. It's tough to nail this government down on a number.

Yet here in a case where the Crown-owned corporation submitted an application to the regulator, there is no determinant number attached to the project. It's open-ended.

We already heard the Leader of the Official Opposition relate how the numbers have moved upwards in just a few months. It's rather ironic that we would even be debating a motion like this today, especially before the Yukon Utilities Board has ruled on the application.

When you think about it, without a number to rule on, one would even wonder why the Yukon Party insisted it bring forward the application.

You have to wonder about the whole rush through process. We heard intervenors plead for more time in the process. We know the Yukon Utilities Board would have liked more time in the process, but the Minister of Energy, Mines and Resources said, "No, we need the decision in order for everything to come through." Then we find out the Minister of Energy, Mines and Resources' plan backfired because it asked the board to go outside its area of jurisdiction.

The minister himself led to a delay in the process and now there is no number attached to the whole project. This could very well result in yet another delay. What if the Yukon Utilities Board says, "Sorry boys, no certificates until we have firm cost estimates?" Well, wouldn't that throw a wrench in the works. Is it possible the Yukon Utilities Board might do that? It is possible. I don't want to speculate, but it is certainly within the realm of the board to come up with something like that because it is a prudent approach. We know that is exactly where the Yukon Utilities Board comes from.

The Yukon Party sped up the whole process, yet through its clumsiness has already caused a major delay and it appears another one could be on the way. It is like the old army slogan: hurry up and wait. Why didn't the Yukon Party do some proper planning? I can't think of any more excuses than the ones we have already heard from the Minister of Energy, Mines and Resources.

I wish him luck. I wish him luck with his process because it is clear he doesn't understand it.

Here's something else he doesn't understand. I heard him refer to "rate base" in a way that was synonymous with "customer base". That is an indication the Minister of Energy, Mines and Resources is completely unfamiliar with his terminology. Earlier this afternoon, I explained what rate base is and it's the utilities' asset base upon which it earns a fair rate of return. It's things, not people. Maybe the Energy, Mines and Resources minister can remember that. It's a little scary to realize who is at the main switch -- somebody who doesn't even know the difference between things and people, doesn't have his math right and has the dates all wrong.

Speaker's statement

Speaker: The member has a perfect right to dispute any other member's perceptions of things, but I have a feeling that this debate is getting personalized again and I asked all members not to do that. You have the floor, Member for Kluane.

Mr. McRobb: You're probably very timely in your intervention because I may have indeed been digressing more than I should have and I didn't realize it.

Let's return to the particular amendment. The mechanism that's introduced here is to qualify this uncontrolled development approach by balancing it with a protection for Yukon consumers. That's what it does. Instead of an open-ended, build-it-and-they-will-come attitude, this introduces balance to the equation, to keep electrical rates affordable for Yukon elec-

tricity consumers. That's consistent with this energy commission report that was produced in 1998 -- not two years earlier, as the Energy, Mines and Resources minister thought.

I would also for the record like to establish that this report, even though it's almost nine years old as of this fall, was the last time there was any public consultation about energy policy. One can say that it is the most recent report. Decisions since then have been made in the backroom in isolation from public discussion and input. Yet, the Yukon Party dismisses this report. Well, at least the Yukon Party is consistent. It doesn't believe in public consultation on matters like this. That is clear from their decision on the third turbine, on the subsidies, on the cancellation of the rate stabilization fund and now from the criticism of the well-grounded consultative report produced by the energy commission in the fall of 1998. At least they are consistent: I'll give them that much.

Now, the reason this qualification was implemented into recommendation 48 is self-explanatory, but there is some history here that should not be forgotten. It also raises the whole issue of investment risk, which is something else that I spoke about last Wednesday. The bottom line is that the Yukon Utilities Board is in place to protect consumers. If a project's costs come in above the level at which the board is satisfied, then someone else should pick up the slack. That someone else is probably the Yukon government, unless someone else is prepared to step into the void, such as the federal government. Perhaps if it is a grid extension into Alaska, the Alaskan or United States governments might pick it up.

That's all part of ensuring that electrical rates are kept affordable.

We heard the Yukon Party vote down the previous amendment attempt because it was not supportive of the electrical consumers in the territory.

That previous motion -- it has been repeated several times this afternoon -- referred to the popular rate stabilization fund, while this amendment refers to balancing it out for the protection of consumers so rates are kept affordable. It is quite similar in the approach.

So far we have heard one member from the government side stand up and disagree with this. That is rather troubling because obviously the Yukon Party government is prepared to throw out the window any values that are associated with ratepayer protection. What it is doing in reality is putting huge government subsidies toward some development. There are other subsidies as well that we haven't even identified, and it is throwing the ratepayers to the wolves without knowing how many wolves are out there.

One of the wolves is the cost-to-service ratio that I alluded to earlier. Last Wednesday, I pointed out how that might increase power rates by 20 percent or more. The favourable benefit from connecting the mine is less than that. On top of those two factors, there are other increased costs to operate the system.

Where is this huge rate decrease that is going to come in equivalent to the 30-percent benefit of the RSF? I don't see it. The Minister of Energy, Mines and Resources has been unable to quantify it, just as he has been unable to identify any conser-

vation programs. The minister has been extremely lacking in what he should have brought to the table. He wasn't lacking in the attacks on us going back years ago with his conjectures.

But he is lacking when it comes to matters of substance that he himself announced, such as the conservation programs that would accompany his announcement on the rate stabilization fund. Where are they?

There have been other extension options that have been considered in the past. Some of them are probably off the table now. There's the spur line to Atlin that was reinvestigated just a few years ago. With the development of the hydro site in Atlin, this option is probably off the table. How much of Yukon rate-payers' money was spent investigating that option? The minister didn't tell us that. Part of the downside of going off on these projects is ensuring that money spent will eventually lead to something.

What about connecting to the B.C. or Alberta grids, or perhaps the grid in Alaska? These are other extension possibilities. When I last spoke with the president of the corporation, I learned that B.C. Hydro was looking at extending its grid up to near the old Cassiar mine. That's not too great a distance from parts of the Yukon, and I understand there's a location -- I believe it's south of Teslin -- that would not be too great a distance in order to connect. But, Mr. Speaker, let's be careful. That would change everything and there needs to be a good debate before ever connecting our isolated system to a main continental grid. I just want to put the government on notice that if this is another backroom decision in isolation from public discussion, and preclusive of any debate in this Assembly, then it's going to be very unfortunate. It will probably lead to a lack of decorum in the House. Who knows?

It's a huge issue. There are pros and cons and it needs to be debated at length before any decision is made. There is a significant cost to it as well. It could change the entire economy in the territory. This is entirely possible, depending on what would happen. No doubt a lot of people want their voices heard on that aspect.

Even though we're generally in favour of the motion, we tried to improve it twice through a friendly amendment. It appears that the Yukon Party is going to shoot down both of these amendments. They are not being very friendly. Even though we have already been put on record as being generally in favour of this, I want to put on record a note of caution with respect to just going too far and connecting to an outside grid without proper debate before a decision is made.

Hon. Ms. Horne: When thinking about what infrastructure a society needs to become more successful, several items come to mind -- things like communication networks and an efficient and reliable transportation system and a high quality, affordable energy supply. Of course, other things are needed, such as legislative and regulatory certainty and a fair and equitable justice system. But these are topics for another day.

We have invested millions on our highways since this party took office. Every highway in the territory has received

attention. As members of this Assembly know, this government is committed to improving our highways network.

Just as we have established a territory-wide communication and highway network, so too should we aim for a territory-wide electrical grid. It is clear to me that our goal is to ensure that we have dependable, reliable energy, both now and into the future, and we want that energy to be developed in an environmentally and economically responsible manner.

We also committed to ensure the effective management and operation of the Yukon Energy Corporation and promote a public-private sector partnership in supplying power to Yukon communities.

We stated that we would promote the development of the Yukon's own energy resources with a goal of ultimately achieving energy self-sufficiency, including the development of a comprehensive Yukon energy framework strategy.

We also committed that we will ensure Yukon's energy resources are developed in an economically and environmentally responsible manner. Previous energy projects in Yukon have not received the benefit of a review by the Yukon Utilities Board.

As members of this Assembly know, I directed the Yukon Utilities Board to review the recent Carmacks extension. It is important to this government that we develop our energy resources in an economically and environmentally responsible manner.

Mr. Speaker, a territory-wide electrical grid would enable us to move away from generation systems that produce greenhouse gases and move toward meeting Yukoners' energy needs with cleaner energy, such as hydro. Moreover, access to affordable energy will enable more projects to be developed in our territory.

Access to affordable energy will make it easier to undertake major projects in rural Yukon. Currently, someone who wishes to undertake a project away from the grid also has to figure out how they are going to supply their operation with energy. A territory-wide grid would allow the proponents to focus on their own business, be it mining, tourism or some other initiative instead of also having to come up to speed on the energy business. We want to see Yukon's economy continue to grow and expand. Working toward a territory-wide electrical grid can provide the access to affordable power that businesses need to develop or expand projects.

Of course, other areas of Yukon are now on diesel-generated power, which is less clean than hydro. Our environment is very special to me, Mr. Speaker.

Speaker: The time being 5:30 p.m., the House now stands adjourned until 1:00 p.m. tomorrow.

Debate on Motion No. 113 and proposed amendment accordingly adjourned

The House adjourned at 5:30 p.m.

The following document was filed May 30, 2007:

07-1-18

Watson Lake Multi Level Care Facility: Consultant Services Contract between Northern Climate Engineering Ltd, and the Government of Yukon, Department of Health and Social Services (McRobb)