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Yukon Utilities Board
Box 3178
Whitehorse, YT
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Attn: Mr. Robert Laking, Chair

Dear Mr. Laking,

Re: Yukon Energy March 15, 2019 Application for Review and Variance of Board Order 2018-10

In accordance with the Board's letter of March 26, I am writing to provide my comments to the Yukon Utilities Board (YUB) on Yukon Energy's Application for Review and Variance (R&V Application) of Board Order 2018-10 with respect to Demand Side Management (DSM).

Not being a lawyer I will not argue the matter on a legal basis, but will provide my perspective from a more practical "common sense" basis.

Notwithstanding the arguments put forward by the YUB in its *Reasons for Decision* on this Order, it did surprise me that the Board could, seemingly arbitrarily, disallow costs that were clearly shown to be in the ratepayer interest. The Yukon Government has energy programs that deal broadly with energy including space heating (wood, oil, and propane), energy efficiency (windows, building insulation levels), and indeed some electricity matters (commercial lighting – which Yukon Energy does not do). The Yukon Government does not have any electrical demand related programming.

The Yukon Government programming is not, to the best of my knowledge, required to ensure that their electricity related programming (nor any of their other programming) meets the four tests that Yukon Energy's electrical DSM programming is designed to meet, as outlined in their R&V Application. For this reason I believe it is inappropriate for the YUB to say that the Yukon Government should be doing all DSM programming. This is also a puzzling thing to say as the YUB has no jurisdiction over the Yukon Government.

In my view it is necessary, as well as in the ratepayer and public interests, for Yukon Energy (and ATCO) to be involved in electricity focused DSM programming. Yukon Energy has shown that its DSM programming benefits all stakeholders. And Yukon Energy is the only entity that has a clear incentive and mandate to pursue peak electrical demand reduction/management programming as it reduces the ever upward-spiralling costs to meet peak electrical demands

(including the N-1 demand capacity requirement) with thermal generation facilities. Reducing these costs is very much in the ratepayer interest and is a matter in which the Yukon Government has no programming (nor any apparent plan for programming).

The reality of climate change and the increasing severity of it is being brought to our attention regularly with both international and national reports. As peak demands contribute to increased fossil fuel consumption (thermal generation) the absence of DSM programming increases greenhouse gas emissions. No party, including the YUB, should be neglecting or frustrating the ratepayer and public interests by preventing Yukon Energy (or ATCO) from cost effective actions to address this most serious of all global matters.

It is very much the YUIB's role to ensure that all electricity DSM programming that the utilities carry out is cost effective for all ratepayers and I encourage the YUB to continue carrying out this role in an effective manner. However, it is not in the ratepayer or public interests for the YUB to discourage the utilities from carrying out cost effective electricity DSM programming but to encourage it.

In summary I urge the YUB to accept Yukon Energy's view that there is a valid case for the R&V Application to pass Phase 1, to consider the merits of the contents of the R&V Application, and to rule in Yukon Energy's favour (this is also in the ratepayers' favour) on this matter.

Respectfully submitted,



John Maissan