



April 17, 2019

Yukon Utilities Board  
Box 3178  
Whitehorse, YT Y1A 6L3  
Attn: Mr. Robert Laking, Board Chair

Dear Mr. Laking,

The Yukon Conservation Society (YCS) is a grassroots environmental non-profit organization, established in 1968. Through a broad program of conservation education, input into public policy, and participating in project review processes, we pursue ecosystem well-being throughout the Yukon and beyond, recognizing that human well-being is ultimately dependent upon fully functioning healthy ecosystems. These comments were prepared on the territories of the Ta'an Kwäch'än Council and Kwanlin Dün First Nation.

The Yukon Conservation Society would first like to acknowledge that we have not taken an active role for most of the 2017-2018 GRA. Our organization has limited resources to engage on a wide range of topics, and until now we have had to make the decision to direct our efforts to other endeavours.

Demand side management (DSM) is a subject that YCS has significant experience and history with, from collaboration with the Energy Solutions Centre in the early 2000s to an application for NRCAN funding to deliver a home energy storage project in February of 2019 (awaiting funding decision). YCS sees DSM as a critical 21<sup>st</sup> century tool for the energy industry, one of the few options that can achieve financial, social, and environmental success.

**Please see below the Yukon Conservation Society's comments on Yukon Energy Corporation's application for Review and Variance of Board Order 2018-10.**

YCS agrees with YEC that there should be a review by the Yukon Utilities Board (YUB). In addition to the strong evidence and arguments put forward by Yukon Energy, YCS provides the following comments.

1. Demand side management is used extensively worldwide as a viable energy resource for electrical utilities. Calling for a halt to all of YEC's current and future DSM programs can be broadly compared to banning hydro development, or wind, solar, or diesel projects. Each of these energy resources comes with environmental, social, and financial implications, and each must be considered on a case-by-case basis, including DSM.
2. YCS highlights the fact that our neighbours in British Columbia rely on DSM to meet at least 66% of new energy demand growth.<sup>1</sup> Simultaneously, British Columbia maintains some of the lowest electricity rates in Canada,<sup>2</sup> demonstrating that DSM can be a major part of an affordable electrical system.

<sup>1</sup> [http://www.bclaws.ca/civix/document/id/complete/statreg/10022\\_01#part1](http://www.bclaws.ca/civix/document/id/complete/statreg/10022_01#part1)

<sup>2</sup> <https://www.nrcan.gc.ca/energy/facts/electricity/20068#L5>



3. Yukon Energy's 2016 Resource Plan identified DSM as a viable resource option in all projected electricity demand scenarios. The resource plan also showed that DSM projects could achieve costs as low as \$0.07/kWh.<sup>3</sup> This compares extremely favourably against the fuel-only cost of thermal energy at approximately \$0.16 / kWh<sup>4</sup>. It is also of note that unlike wind and solar energy, DSM can provide dispatchable capacity for the utility through programs such as thermostat setbacks, load shifting, and direct energy conservation.
4. Yukon Energy's 2016 Resource Plan also identified DSM as being preferable to new electrical generation infrastructure from a socio-environmental perspective, stating: "DSM is often less expensive and has a lower environmental impact than the construction of new electricity supply infrastructure to meet growing load."<sup>5</sup> Additionally, DSM programs generally don't require approval through YESAB or other environmental regulators and are socially much more palatable than new infrastructure projects. Delays on the Southern Lakes Storage Enhancement project, the shelving of Next Generation Hydro, and current challenges with the Aishihik water license renewal highlight the regulatory and social risks associated with energy generation infrastructure. By contrast, DSM is a rapidly-deployable and low-risk energy resource that can meet both energy and capacity requirements.

In closing, YCS respectfully recommends that the Yukon Utilities Board accept Yukon Energy's request and proceed with phase II review or proceed directly to vary the DSM rulings as described in Yukon Energy's application for review and variance.<sup>6</sup>

Thank you for considering our comments.

Sincerely,

Cody Reaume, EIT  
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<sup>3</sup> Yukon Energy 2016 Resource Plan, page 5-117

<sup>4</sup> <https://yukon.ca/apply-independent-power-producer> (based on avoided cost of thermal generation)

<sup>5</sup> Yukon Energy 2016 Resource Plan, page vi

<sup>6</sup> Application by Yukon Energy Corporation for Review and Variance of Board Order 2018-10, page 9