

**Yukon Energy Corporation
2021 General Rate Application**

| NY IR number and particulars | YEC response | NY submissions | YEC response | NY reply | Board ruling |
|---|---|--|---|---|--|
| <p>NY-YEC-1-2(c)</p> <p>c) Please also provide peak loads by month (Non-industrial and integrated system separately), approved, actual and forecast for 2017 to 2021 inclusive</p> | <p>The YEC peak forecast model only models a winter peak (maximum load expected in coldest period) – this data is not forecast by month. Peak loads are recorded as the maximum load experienced in each winter. Please see response to CW-YEC-1-1 (a).</p> | <p>YEC replies that “...this data is not forecast by month...”. However, the request was for actual, approved and forecast data. Please provide the other data requested even if forecast is not available.</p> | <p>Peak loads are recorded as the maximum load experienced in each winter (not by month). The original IR response cross-referenced to CW-YEC-1-1(a) which provides forecast and actual non-industrial and the industrial peaks for 2018/19 to 2021/22 winters.</p> | <p>This seems to be an acceptable response.</p> | <p>No further response is required.</p> |
| <p>NY-YEC-1-6</p> <p>Please provide the stacking order for all thermal generation, YEC owned and 6 rentals – for each site and for the integrated system.</p> | <p>The stacking order for all thermal generation is as follows:</p> <p>Type/ Location Units Comment</p> <p>1 YEC LNG WG1, WG2 and WG3</p> <p>2 Whse rentals YM-10, YM-11, YM-12, YM-13, YM-14, YM-15, YM-16, YM-17, YM-18, YM-19. There is no particular stacking order for these units</p> <p>3 Faro rentals YM-20, YM-21, YM-22, YM-23, YM-24, YM-25 and YM26 There is no particular stacking order for these units</p> <p>4 YEC Whse WD4, WD5, WD6, WD7</p> <p>5 YEC Dawson DD5, DD4, DD3, DD2, DD1</p> <p>6 YEC Faro FD7, FD1</p> <p>7 YEC Mayo MD1, MD2, MD3</p> | <p>In the stacking order provided, YEC lists all 7 Faro rental diesels, and the installed FD1 and FD7 generators. This adds up to 18.4MW – while the most recent (2014/Current) YESAB shows only FD1 and FD7 for 8.15MW. How can all Faro capacity be in the stacking order?</p> | <p>For clarification it is noted that the Faro rental units are at the Faro site and are included in the formal stacking order; however, YEC can only run up to 10.6 MW of generation at Faro at any one time under its existing permits.</p> | <p>In this response, YEC acknowledges that the theoretical “formal stacking order” provided in response to the IR will never actually be used, due to a 10.6 MW generation limit at the Faro facility.</p> <p>Please provide the actual stacking order, given the 10.6MW limit, or the 8.15MW limit from the most recent 2014 YESAB (2014-0119) as requested.</p> | <p>The Board considers the information requested to be of potential benefit. The Board directs YEC to provide a fulsome response to the NY reply; i.e., provide the actual stacking order.</p> |

**Yukon Energy Corporation
2021 General Rate Application**

| NY IR number and particulars | YEC response | NY submissions | YEC response | NY reply | Board ruling |
|--|---|--|---|--|---|
| <p>NY-YEC-1-7 a) What modifications have been made to the Faro diesel plant since the 2014 YESAB assessment? Please provide details and dates of any and all changes/modifications to the Faro plant.</p> | <p>Please see the summary provided below – which provides the modification to the plant and the date of the modification since 2014.</p> <p>S/N Modification Date 1 Moved FD5 Dawson 2014 2 FD0 plant RTU replacement 2017 3 Heating system UG leak replacement (FD7 to FD1) 2017 4 Faro plant repairs 2016</p> | <p>IR was for a list of all modifications/changes to the Faro plant since the 2014 (most recent) YESAB assessment. YEC fails to list the 7 rental generators. Is this an error, or is YEC claiming that the generators do not exist? Please correct.</p> | <p>The IR requested that YEC provide “modifications have been made to the Faro diesel plant since the 2014 YESAB assessment.” The Faro rental diesels are not YEC assets and are not part of Faro plant ratebase.</p> <p>The infrastructure required for the diesel rental units is reviewed in detail in Section 5.2.1.2 of the Application [N-1 Capacity Shortage Faro Thermal Rental Site Infrastructure].</p> | <p>In requesting a list of modifications to the Faro generating station, ownership status and ratebase are not relevant, but can be noted as part of the response if YEC prefers.</p> <p>YEC’s initial response was:</p> <p>S/N Modification Date 1 Moved FD5 Dawson 2014 2 FD0 plant RTU replacement 2017 3 Heating system UG leak replacement (FD7 to FD1) 2017 4 Faro plant repairs 2016</p> <p>and the revised answer is understood to be the following:</p> <p>S/N Modification Date 1 Moved FD5 Dawson 2014 2 FD0 plant RTU replacement 2017 3 Heating system UG leak replacement (FD7 to FD1) 2017 4 Faro plant repairs 2016 5 Added seven rental generators (of 1.8MW each) 2020 (though YEC notes that “the Faro rental diesels are not YEC assets and are not part of Faro plant ratebase”) 6 Added The infrastructure required for the diesel rental 2020 units reviewed in detail in Section 5.2.1.2 of the Application [N-1</p> | <p>The Board directs YEC to confirm NY’s understanding as stated in his reply. If YEC does not agree with NY’s understanding as stated in his reply, the Board directs NY to explain the discrepancy.</p> |

**Yukon Energy Corporation
2021 General Rate Application**

| NY IR number and particulars | YEC response | NY submissions | YEC response | NY reply | Board ruling |
|---|--|--|---|--|--|
| | | | | <p>Capacity Shortage Faro Thermal Rental Site Infrastructure].</p> <p>If YEC agrees that this is what was meant, the answer is acceptable.</p> | |
| <p>NY-YEC-1-8(a)</p> <p>a) Any and all applications and correspondence with regulator(s) regarding rental diesels.</p> | <p>Please see Attachment 1 and Attachment 2 to this response which provide correspondence related to rental diesels at the WRGS and FGS.</p> | <p>YEC was asked to provide any and all correspondence with regulators regarding the rental diesels. Earliest document provided is a response to YEC, so clearly not all correspondence was included. Please provide complete correspondence as requested. This would also include attachments referenced in emails.</p> | <p>The correspondence provided as NY-YEC-1-8(a) Attachment 1 is the complete correspondence. YEC will typically provide a verbal update to regulators prior to providing a formal submission in order to confirm any requirements. The email dated September 23, 2020 from Elizabeth Barker to Travis Ritchie likely followed a verbal update provided by Mr. Ritchie to Ms. Barker regarding the then forthcoming diesel permit amendment.</p> | <p>YEC is refusing to provide the requested correspondence, specifically the AEP 60-010 amendment application submitted on or before 23-September, 2020 and perhaps other correspondence or applications.</p> <p>The text of the email dated September 23, 2020 from Elizabeth Barker to Travis Ritchie is in italics below, [with emphasis and notes added]. It is very difficult to believe that this is the first correspondence between YEC and the regulator.</p> <p>Good Afternoon Travis, According to the Assessable Activities Regulation under YESAA, Part 4, Item 2 (b) applies to your AEP 60-010 amendment application.</p> <p>[Note: By claiming this email from Elizabeth Barker as the first correspondence and all previous was</p> | <p>The Board accepts YEC’s statement that the correspondence provided by YEC on July 20, 2021 “is the complete correspondence” and is not persuaded of the materiality of the additional information requested in NY reply. No further response is required.</p> |

**Yukon Energy Corporation
2021 General Rate Application**

| NY IR number and particulars | YEC response | NY submissions | YEC response | NY reply | Board ruling |
|------------------------------|--------------|----------------|--------------|---|--------------|
| | | | | <p>verbal, YEC is claiming that the application that Elizabeth Barker was referring to was a verbal application?]</p> <p>The email continues:</p> <p>Specifically, the Faro generating station underwent a YESAA assessment in 2014. In the assessment, FD1 and FD7 were assessed with production capacities of 5.15MW and 3MW for a total of 8.15MW. Currently, FD1 and FD7 have been derated to 2.4MW and 2.8MW however, with the addition of YM20-22 (5.4MW) and the addition of the YM23-25(5.4MW) as emergency backup, this brings the station capacity to a total of 16MW. This is 7.85MW greater than the capacity that was previously assessed in 2014. As the modification of production capacity is greater than 50kW, this project will need to proceed through YESAB before we can issue any permit amendments. Please let me know if you would like to discuss this further.</p> <p>Have a great day,</p> <p>Liz</p> <p>[Note: By claiming that this is the first actual correspondence, YEC is claiming Travis Ritchie applied for the amendment, and gave specific information such as that about adding YM20-22 (5.4MW) and YM23-25 (5.4MW), etc. ONLY in a verbal update – and that the regulator remembered all of these details and more –</p> | |

**Yukon Energy Corporation
2021 General Rate Application**

| NY IR number and particulars | YEC response | NY submissions | YEC response | NY reply | Board ruling |
|------------------------------|--------------|----------------|--------------|---|--------------|
| | | | | <p>and replied as though a written application had been filed, even referring to an application?]</p> <p>AND in Travis Ritchie’s reply to this email on the next day, 24-September, 2020 he offers to resubmit the application. [with emphasis added]</p> <p>Hi Elizabeth,</p> <p>Thanks for your reply.</p> <p>....</p> <p>..</p> <p>If you need, I can resubmit the amendment application for reinstallation of only the previously assessed capacity, removing reference to the 3 additional units (YM23-YM25). YEC can then work on getting a YESAA assessment completed for the additional capacity, which could be permitted afterward. Does that sound reasonable? If it’s helpful to speak on the phone please let me know and I will call you at a convenient time.</p> <p>Thanks again.</p> <p>Regards,</p> <p>Travis</p> <p>If the YEC response is to be believed, Travis Ritchie is offering to resubmit a verbal application? Clearly there was a written amendment application submitted previous to this email exchange on 23-24</p> | |

**Yukon Energy Corporation
2021 General Rate Application**

| NY IR number and particulars | YEC response | NY submissions | YEC response | NY reply | Board ruling |
|--|---|---|---|---|---|
| | | | | <p>September, and it should be provided as originally requested. YEC has provided 24 pages of the application resubmitted on 28-Sept. The previous version submitted to Elizabeth Barker has not been provided.</p> <p>The full emails referenced are included at the end of this document – as provided by YEC in the initial IR response. See Notes: NY-YEC-1-8(a) Attachment 1.</p> | |
| <p>NY-YEC-1-8(c)(a) (attachment 2) c) YESAB assessment documentation relating to the rental generators.</p> | <p>The rental diesels at the Whitehorse Rapids Generating Station (WRGS) have been installed and operated under Air Emission Permit amendments that were made under existing YESAA Decision Documents. No YESAA assessments have been required to date for the use of rental diesels as the activities represented by their use are sufficiently similar to those generating activities that have been previously assessed under YESAA and the YG regulatory authority determined that the existing decision documents for previous assessments of these activities are sufficient for the purposes of amending YEC’s air emissions permit.</p> <p>The rental diesels at the Faro Generating Station (FGS) can be operated up to an operating cap of 10.6 MW and no YESAA assessment is required for that purpose as the previous YESAA assessments of the facility and the associated Decision Documents allow for this operational cap at the site under YEC’s existing air emissions permit.</p> | <p>YEC provided Record of Determination of Significant Change document for amendments to the Air Emission Permit for Whitehorse Rapids Generating Station, WRGS. Please provide also for Faro Generating Station, FGS</p> | <p>There is not a Record of Determination of Significant Change document available for the Faro diesel plant at this time.</p> <p>Please see the correspondence attached to YEC-NY-1-8(a) where the regulator determined a change to the existing permit was not required and YEC had the authorization to reinstall previously located/derated capacity of up to 10.6 MW at the Faro plant: “We have determined that the information provided in YEC’s previous Faro station YESAA assessments (2008-0230 and 2011-0246) is still valid for the proposed 2020 amendment of reinstalling capacity of approximately 5.65MW at the Faro generating station. YEC has authorization to reinstall previously relocated/de-rated capacity of up to 10.6 MW, cumulative station capacity, without proceeding through the YESAA assessment process.”</p> <p>YEC is in the process of completing its assessment in order to submit a Project</p> | <p>I was under the impression that since the 2014 YESAA (2014-0119) was most recent on the topic – and as it was used for the 2014 to 2024 license, it would be applicable in 2020. It is curious that the 2008 and 2011 YESAA (used for the 2008 and 2011 permits) are now somehow “still valid,” where they were considered expired and not valid in 2014, necessitating the 2014 YESAB assessment.</p> <p>The 2014 YESAB (submitted for YEC by Travis Ritchie) includes the text: “The temporal scope of the assessment is for 10 years.”</p> <p>The 2008 and 2011 YESAA assessments (also submitted by Travis Ritchie) were for 3 year permit terms, and make no attempt or claim to be relevant past 2011 and 2014 respectively.</p> <p>The 2011 assessment includes a study that “takes into account projected increased power demand in the Yukon through to</p> | <p>Given the statement in NY reply that “NY accepts YEC’s response that there are no new YESAB documents”, the Board finds that no further response required.</p> |

**Yukon Energy Corporation
2021 General Rate Application**

| NY IR number and particulars | YEC response | NY submissions | YEC response | NY reply | Board ruling |
|------------------------------|--------------|----------------|---|---|--------------|
| | | | <p>Proposal to YESAB for the addition of up to 4.9 MW of additional capacity at the Faro Plant. After that assessment is complete and a Decision Document is issued YEC would then seek a permit amendment from the regulator to allow a facility operating/ generation capacity cap of 15.5. MW.</p> | <p>2014...” and “reflects the Yukon Ambient Air Quality Standards adopted by the Yukon Government in 2010, which were not yet in existence at the time of the 2008 assessment.” And the 2008 assessment notes that “For the vast majority of the time, the diesel generators do not operate; this is not forecast to change during the 2009-2011 period.”</p> <p>How are these still valid? Again, they were not considered valid in 2014, and YEC and Travis Ritchie were clearly aware of this when submitting a new application each time a permit expired. Was he aware of this when suggesting to the regulator that these expired documents were “still valid” in 2020?</p> <p>NY accepts YEC’s response that there are no new YESAB documents, now understanding that YEC has chosen avoid this by using obsolete and expired assessments from 2008 and 2011 and is now operating according to 2008 and 2011 decision documents and corresponding limits and regulations rather than the 2014 assessment and decision document – or any other updated or current documents.</p> <p>Noting that if the 2014 assessment were to be used (which I reasonably expected it would be), the addition of any rentals</p> | |

**Yukon Energy Corporation
2021 General Rate Application**

| NY IR number and particulars | YEC response | NY submissions | YEC response | NY reply | Board ruling |
|--|--|---|--|---|--------------------------------------|
| | | | | <p>would be a modification and would require a YESAB assessment before the installation of the rentals. By using the expired documents with higher limits, no assessment is required. While this might be acceptable to the regulator (after YEC suggested it), it is definitely against the intent and objectives of YESAA.</p> <p>YEC’s choosing to ignore/sidestep the most recent YESAA assessment does sufficiently explain why YEC cannot provide documents relating to it. However, allowing YEC (or anyone for that matter) to use expired permits and assessments in place of recent and current assessments in order to gain more favourable capacity limits, is perhaps a dangerous precedent? (I realize that this question is outside of the original scope, but clearly follows from YEC’s actions and response.)</p> | |
| <p>NY-YEC-1-8(d) d) Compliance documents, decision documents and permits.</p> | <p>Per the response to NY-YEC-1-8 (c), the rentals have not required specific assessment under YESAA to be authorized for use under YEC’s air emissions permit, therefore there are no compliance documents, decision documents, or permits issued pursuant to a specific YESAA assessment for the rentals, other than the existing air emissions permit, which authorizes the use of temporary diesel generators beyond those permanently installed at the facility within a generating capacity limit.</p> | <p>Asked for compliance documents, decision documents and permits for the rental diesels, YEC has replied that there are none, while the incomplete email chain provided in NY-YEC-1-8 (a) includes an “Application for approval to install previously relocated and derated generating capacity” from YEC. Is there a document approving (or denying) the application? I believe this has also been referred to as “the 2020</p> | <p>Please see NY-YEC-1-8(a) Attachment 1, page 1 wherein the regulator notes as follows [emphasis added]:</p> <p>We have determined that the information provided in YEC’s previous Faro station YESAA assessments (2008-0230 and 2011-0246) is still valid for the proposed 2020 amendment of reinstalling capacity of approximately 5.65MW at the Faro generating station. YEC has authorization to reinstall previously relocated/de-rated capacity of up to 10.6MW, cumulative</p> | <p>Yes, again accepted that there are no new documents, as YEC is using Faro station YESAA assessments (2008-0230 and 2011-0246) which were for permits that expired in 2011 and 2014 respectively (and yet are claimed “still valid,”) and that these documents should be referenced rather than the more recent/current (2014-0119) YESAA assessment.</p> | <p>No further response required.</p> |

**Yukon Energy Corporation
2021 General Rate Application**

| NY IR number and particulars | YEC response | NY submissions | YEC response | NY reply | Board ruling |
|------------------------------|--------------|--|--|----------|--------------|
| | | <p>amendment” in correspondence.</p> <p>Does this document exist? Why was it not provided?</p> | <p>station capacity, without proceeding through the YESAA assessment process. As discussed, any additional capacity increase that will bring the Faro station’s cumulative capacity above 10.6MW will need to proceed through the YESAA assessment process before being considered. As this amendment doesn’t change the content of your current Air Emissions Permit 60-010, we will not be issuing an amended permit and you may continue to use permit 60-010 as is.</p> <p>As noted in the IR response, rental diesels at Faro currently can be operated up to an operating cap of 10.6 MW and no YESAA assessment is required for that purpose as the previous YESAA assessment of the facility and the associated Decision Documents allow for this operational cap at the site under YEC’s existing air emissions permit. The regulator confirmed that it would not be issuing an amended permit.</p> <p>YEC is in the process of completing its assessment in order to submit a Project Proposal to YESAB for the addition of up to 4.9 MW of additional capacity at the Faro Plant. After that assessment is complete and a Decision Document is issued YEC would then seek a permit amendment from the regulator to allow a facility operating/ generation capacity cap of 15.5. MW.</p> | | |

**Yukon Energy Corporation
2021 General Rate Application**

| NY IR number and particulars | YEC response | NY submissions | YEC response | NY reply | Board ruling |
|--|--|---|---|---|--|
| <p>NY-YEC-1-9</p> <p>a) As the Faro diesel site is on RRDC Traditional Territory, does YEC have have [sic] the support of Ross River Dena Council for the modifications to the plant? Please provide documentation of any consultation and interaction with RRDC concerning the Faro plant.</p> | <p>Between April 2020 and January 2020, Yukon Energy has contacted representatives of the Dena Nezzidi Limited Partnership (designate for the Ross River Dena Council) at least nine times by email and phone to share information about the Faro rental diesel project and procurement opportunities, and to request a meeting with Ross River Dena Council to discuss the project.</p> <p>The Dena Nezzidi Limited Partnership representative attended Yukon Energy’s December 2, 2020 public information meeting. Copies of the presentation and a summary of the discussion was provided to them following the meeting.</p> <p>As of February 9, 2021, representatives of the Dena Nezzidi Limited Partnership have not provided Yukon Energy with a date and time for the requested meeting with Ross River Dena Council to discuss the specific Faro rental diesel project and YESAA project proposal.</p> | <p>Requested documentation of consultation and interaction with RRDC. Reply does not document any specific interaction or specific attempts at interaction with RRDC, and therefore does not satisfy the request. As requested, please provide dates and specifics of all interaction or attempted interaction with RRDC.</p> | <p>The request was to provide documentation of any consultation and interaction with RRDC concerning the Faro plant.</p> <p>The response provided noted that YEC had “contacted representatives of the Dena Nezzidi Limited Partnership (designate for the Ross River Dena Council) at least nine times by email and phone to share information about the Faro rental diesel project and procurement opportunities, and to request a meeting with Ross River Dena Council to discuss the project”, and “As of February 9, 2021, representatives of the Dena Nezzidi Limited Partnership have not provided Yukon Energy with a date and time for the requested meeting with Ross River Dena Council to discuss the specific Faro rental diesel project and YESAA project proposal.”</p> <p>The response also noted that a Dena Nezzidi Limited Partnership representative attended Yukon Energy’s December 2, 2020 public information meeting. Copies of the presentation and a summary of the discussion was provided to them following the meeting.</p> <p>In summary, Yukon Energy’s response to NY-YEC-1-9 was fully responsive to the question posed.</p> | <p>YEC’s response still “does not document specific interaction or specific attempts at interaction with RRDC, and therefore does not satisfy the request”. Additionally the response does not “provide dates and specifics of all interaction or attempted interaction with RRDC.”</p> <p>YEC has repeated that it “contacted representatives ... at least nine times ... “ NY asks again, When and how did each of these nine attempts take place? Who specifically did YEC attempt to contact?</p> <p>This is clearly requested in asking YEC to “provide documentation of any consultation and interaction with the RRDC concerning the Faro plant. “ YECs interaction with RRDC’s email and voicemail systems are interactions with part of RRDC.</p> <p>Please provide the requested information.</p> | <p>YEC has provided its response. The Board is of the view that the exact dates and times YEC attempted to contact RRDC is not material and of limited probative value. No further response is required.</p> |

**Yukon Energy Corporation
2021 General Rate Application**

| NY IR number and particulars | YEC response | NY submissions | YEC response | NY reply | Board ruling |
|--|--|---|--|--|--------------------------------------|
| <p>NY-YEC-1-10 (b-c)</p> <p>b) Please explain what YEC is seeking with the “expanded air permit,” and why it is needed.</p> <p>c) Please provide the “Project Description” that will be used for the upcoming YESAB assessment for the Faro site.</p> | <p>(b) Yukon Energy is seeking authorization to operate up to an additional 4.9 MW of diesel generation at the FGS, in addition to its existing generation limit of 10.6 MW (for a total of 15.5 MW).</p> <p>(c) The Yukon Energy Corporation (Yukon Energy) is applying under Parts 6 and 9 of the Environment Act and Part V of the Air Emissions Regulations for an amendment of Air Emissions Permit No. 60-010 authorizing Yukon Energy to modify the thermal generating component (the Project) of its Faro Diesel Facility (the Site).</p> <p>Yukon Energy is seeking an amendment of the Permit to allow for the addition of up to 4.9 MW of additional (to a maximum total of 15.5 MW) operational capacity for the diesel electricity generators. The Site is currently permitted to operate at a capacity of 10.6 MW. These generators will act as insurance against the very unlikely event that Yukon Energy experiences an extended winter power outage with loss of generation or transmission from the Aishihik Generating Station, if hydroelectricity cannot meet energy demands and for maintenance purposes. An extended power outage has a very low probability, but the likely consequences require Yukon Energy to be prepared to immediately restore supply to customers on the grid to avoid rolling blackouts. Having access to portable diesel generators ensures that Yukon Energy can</p> | <p>Existing generation limit of 10.6MW? The most recent YESAB (2014) which was used for the 2014-2024 permit lists FD1 and FD7, totaling 8.5MW. Is there any valid documentation of approval of 10.6MW limit? Please provide.</p> | <p>NY-YEC-1-8(a) Attachment 1 provides email correspondence from the Department of Environment to Travis Ritchie dated October 13, 2020, and notes as follows:</p> <p>We have determined that the information provided in YEC’s previous Faro station YESAA assessments (2008-0230 and 2011-0246) is still valid for the proposed 2020 amendment of reinstalling capacity of approximately 5.65MW at the Faro generating station. YEC has authorization to reinstall previously relocated/de-rated capacity of up to 10.6MW, cumulative station capacity, without proceeding through the YESAA assessment process. As discussed, any additional capacity increase that will bring the Faro station’s cumulative capacity above 10.6MW will need to proceed through the YESAA assessment process before being considered.</p> <p>As this amendment doesn’t change the content of your current Air Emissions Permit 60-010, we will not be issuing an amended permit and you may continue to use permit 60-010 as is.</p> <p>The above fully responds to the NY motion on NY-YEC-1-10.</p> | <p>Yes, it is now understood that in the application for the expanded air permit, YEC is using the production capacity totals from the expired 2008 and 2011 YESAA assessments. YEC will be ignoring the capacity totals from the current 2014 YESAA (2014-0119) and also not mentioning the existence of the 2014 YESAA (2014-0119) – as it contradicts the expired documents, with the higher production capacity limits preferable to YEC being in the expired documents.</p> <p>A recent flier distributed to Faro residents announcing the upcoming assessment confirms this, implying that the Faro plant has always had a permitted and actual capacity of 10.6MW, and using the terms “permanent engines” to mean the combination of the installed generators and half of the rentals.</p> | <p>No further response required.</p> |

**Yukon Energy Corporation
2021 General Rate Application**

| NY IR number and particulars | YEC response | NY submissions | YEC response | NY reply | Board ruling |
|-------------------------------------|--|-----------------------|---------------------|-----------------|---------------------|
| | <p>continue to provide reliable service during the winter in an emergency.</p> <p>The need for this contingency measure came as a result of analysis of information prepared as part of Yukon Energy’s 2016 Resource Plan (2017). The 2016 plan and the 2017-18 GRA identified that there was a capacity gap in 2017-18 of approximately 8 MW between maximum probable (winter) load and the installed capacity of the system under an N-1 event. Yukon Energy’s updated 10-Year Renewable Electricity Plan, updated in December 2020, identifies an even greater gap (> 20 MW) between existing resources and forecasted peak energy demand (Yukon Energy 2020). This Project is expected to be required until more permanent solutions to address the current N-1 capacity gap are implemented. Yukon Government’s document Our Clean Future: A Yukon strategy for climate change, energy and a green economy (Government of Yukon 2020) identifies a renewable energy target of 97% by 2030. Yukon Energy’s 10-Year Renewable Electricity Plan outlines key projects and partnerships that will help to address the energy and peak capacity shortfalls over the 10-year planning horizon. A number of projects have been identified in the Future-Focused Portfolio (such as Whitehorse Hydro uprates, the battery energy storage system, the Southern and Mayo Lakes Enhanced Storage Projects) but these projects will take time to plan, design,</p> | | | | |

**Yukon Energy Corporation
2021 General Rate Application**

| NY IR number and particulars | YEC response | NY submissions | YEC response | NY reply | Board ruling |
|-------------------------------------|--|-----------------------|---------------------|-----------------|---------------------|
| | <p>permit, and construct, and Yukon Energy requires a temporary solution be put in place until new capacity can be added to the system. These back-up units would be at the bottom of stacking order and would only be operated in the case of an emergency, when hydroelectricity cannot meet demands, and for short durations for monthly exercise to confirm operational readiness.</p> <p>The permit amendment request to modify the existing thermal is subject to a Designated Office level environmental and socio-economic effects assessment by the Yukon Environmental and Socio-economic Assessment Board (YESAB) under the Yukon Environmental and Socio-economic Assessment Act (YESAA).</p> <p>Pursuant to that assessment, Yukon Energy requests a recommendation from the Designated Office to allow the Permit amendment to proceed, on the basis that the Project (i.e., the modifications to Yukon Energy’s diesel generating facilities described in this proposal and operated in accordance with the terms and conditions of an air emissions Permit and the applicable provisions of the Environment Act and Air Emissions Regulations) will not have a significant adverse environmental or socio-economic effect within the meaning of section 56(1)(a) of YESAA.</p> | | | | |

**Yukon Energy Corporation
2021 General Rate Application**

| NY IR number and particulars | YEC response | NY submissions | YEC response | NY reply | Board ruling |
|-------------------------------------|---|-----------------------|---------------------|-----------------|---------------------|
| | <p>In contrast to the diesel generation facilities operated by ATCO in communities such as Watson Lake and Old Crow, which are isolated from the transmission grid and must therefore operate continuously (24 hours per day, 365 days per year), Yukon Energy only uses its fossil fuel-fired generators:</p> <ul style="list-style-type: none"> • As back up during renewable energy system outages (planned and unplanned); • To supplement energy demand during colder periods of the year; and • To exercise the units for very short durations on a monthly basis to ensure operational readiness. <p>This is because most of the needs of customers on the system are satisfied by Yukon Energy’s three hydro generating stations. For the vast majority of the time, the thermal generators do not operate. However, Yukon Energy’s thermal generation facilities are essential to its ability to provide a reliable supply of electricity to customers whenever demand exceeds hydro supply (e.g., as a result of planned maintenance, emergency repair, or peaking demand during cold temperatures).</p> <p>Yukon Energy is regulated principally under the Yukon Business Corporations Act, Public Utilities Act, and Waters Act, and the federal Fisheries Act. In particular, under the Public Utilities Act, Yukon Energy has an</p> | | | | |

**Yukon Energy Corporation
2021 General Rate Application**

| NY IR number and particulars | YEC response | NY submissions | YEC response | NY reply | Board ruling |
|-------------------------------------|--|-----------------------|---------------------|-----------------|---------------------|
| | <p>obligation to supply electricity service to its customers, and its rates and operations are subject to regulation by the Yukon Utilities Board. Yukon Energy’s thermal generation facilities are also subject to regulation under the Yukon Environment Act and Air Emissions Regulations, as well as YESAA.</p> <p>Yukon Energy’s diesel (thermal) electric generating plants are installed and operated to ensure the ongoing operation of the integrated power system and so all customers on these systems can receive reliable power consistent with Yukon Energy’s corporate and regulatory obligations.</p> <p>Given the current generation mix (hydro, wind, and thermal) and system design, Yukon Energy’s ability to operate the installed thermal plants, particularly during conditions where demand for electricity cannot be adequately met by hydro (e.g., planned maintenance, emergency repair, demand during cold winter temperatures), is essential to avoid scenarios where there would be a requirement to impose blackout conditions to various customers. This is particularly relevant during times where the lack of such ability would at best be very inconvenient, and at worst dangerous to infrastructure and human health and safety, such as would be the case during cold winter temperatures. For example, Yukon Energy’s reliance on the thermal generation facilities was essential when a major power outage</p> | | | | |

**Yukon Energy Corporation
2021 General Rate Application**

| NY IR number and particulars | YEC response | NY submissions | YEC response | NY reply | Board ruling |
|-------------------------------------|---|-----------------------|---------------------|-----------------|---------------------|
| | <p>occurred on the WAF grid in January 2006 due to a failure on the connection to the Aishihik hydro generating facility. If Yukon Energy had not had the ability to operate its diesel units in those circumstances, customers would have been left without power in the middle of the winter. The current need for thermal generation is related to several factors including:</p> <ol style="list-style-type: none"> 1. The need to meet demand for electricity during those times when hydro-electric facilities are offline as a result of an emergency condition; 2. The need to meet demand for electricity during those times when hydro-electric facilities are taken offline for routine maintenance; 3. The need to meet demand for electricity during those times when there is a grid separation (i.e., transmission outage) and electricity from hydro-electric facilities is not available; 4. The need to exercise a particular diesel unit as a part of routine maintenance; and 5. The need to meet demand for electricity during those times when hydro-electric facilities are otherwise unable to meet current demand for energy. | | | | |

**Yukon Energy Corporation
2021 General Rate Application**

| NY IR number and particulars | YEC response | NY submissions | YEC response | NY reply | Board ruling |
|-------------------------------------|---|-----------------------|---------------------|-----------------|---------------------|
| | <p>This Project includes an amendment to the existing Air Emissions Permit (Permit No. 60-19 010) to operate additional temporary rental diesel units up to a total site operational capacity of 15.5 MW, as required. The reason these units have been added to the Faro Diesel Facility is add additional capacity to reduce the gap in dependable energy required versus available.</p> <p>Yukon Energy requires an amendment of its existing Air Emissions Permit No. 60-010 to have the ability to operate additional thermal generation resources and ensure the continuity of a reliable supply of power to Yukoners as described earlier in this proposal. A Permit can be issued by the Minister responsible for the Department of the Environment pursuant to Section 12 of the Air Emissions Regulations under the Environment Act. It is expected that the existing permit would be amended to allow the requested modification to the Faro Diesel Facility.</p> <p>To amend the Permit, the Yukon Government regulatory authorities may require a decision document based on the environmental and socio-economic assessment of the amendment application under YESAA. An environmental and socio-economic assessment is understood to be required under Schedule 1, Part 4, Item 2(b) of the Assessable Activities, Exceptions and Executive Committee Projects Regulations</p> | | | | |

**Yukon Energy Corporation
2021 General Rate Application**

| NY IR number and particulars | YEC response | NY submissions | YEC response | NY reply | Board ruling |
|-------------------------------------|--|-----------------------|---------------------|-----------------|---------------------|
| | <p>under YESAA, because the Permit is for the “operation ... of ... a fossil fuel-fired electrical generating station”.</p> <p>While the amendment request will be to authorize changes to the Faro Diesel Facility to have up to 15.5 MW of standby/back-up diesel generating capacity, the activity is a modification to an existing facility and does not involve the construction, decommissioning, or abandonment of a fossil-fuel fired electrical generating station, as such the proposed activity is not immediately assessable at the Executive Committee level.</p> <p>Yukon Energy is requesting a recommendation by the Designated Office to allow the Permit amendment to proceed, on the basis that the Project (i.e., the continuing operation of the Yukon Energy’s Faro Diesel Facility with the addition of 4.9 MW of additional diesel generating capacity (total of 15.5 MW of generating capacity) in accordance with the terms and conditions of the amended Permit and the applicable provisions of the Environment Act and Air Emissions Regulations) will not have a significant adverse environmental or socio-economic effect within the meaning of section 56(1)(a) of YESAA. (footnotes removed)</p> | | | | |

**Yukon Energy Corporation
2021 General Rate Application**

| NY IR number and particulars | YEC response | NY submissions | YEC response | NY reply | Board ruling |
|--|--|--|--|--|--------------------------------------|
| <p>NY-YEC-1-10 (f)</p> <p>Please discuss how this approach relates to social license for stakeholders (RRDC and Faro residents)</p> | <p>Yukon Energy takes its responsibility to provide safe, reliable, affordable, and environmentally responsible electricity very seriously. In the context of the operational requirements driving the emerging need for the Project and the consequences of not being in a position to meet that need in an emergency it was determined that interested and potentially affected governments, organizations, and communities would best served by YEC advancing project planning. This would ensure timely ability to avoid the potential need for service disruptions up to the current generating capacity limits it was lawfully permitted to operate, and has been for decades, while undertaking the appropriate activities to assess and permit the additional capacity it was proposing only to operate once an amended permit could be issued. On balance, it was assessed that reasonable societal expectations of the Corporation would be met by such an approach given the circumstances and the low likelihood of potentially significant adverse effects of such actions.</p> | <p>YEC does not address address social license for RRDC or Faro, which was the question.</p> | <p>The question was responded to fully by YEC.</p> <p>YEC’s response to part (e) noted that the risks were deemed to be minimal and tolerable when compared to the very serious health, safety and numerous other relevant implications of not being able to meet customer demand for electricity in the case of an emergency in the cold and darkness of winter in Yukon.</p> <p>The response to (f) noted that Yukon Energy takes its responsibility to provide safe, reliable and affordable and environmental responsible electricity very seriously, and “in the context of operational requirements driving the emerging need for the Project and the consequences of not being in a position to meet that need in an emergency it was determined that interested and potentially affected governments, and communities would best served by YEC advancing project planning,” and “on balance, it was assessed that reasonable societal expectations of the Corporation would be met by such an approach given the circumstances and the low likelihood of potentially significant adverse effects of such actions.”</p> | <p>Accepted that YEC does not claim that this approach has any specific social license for RRDC and Faro residents – other than as customers – and being the ones accepting the risks.</p> | <p>No further response required.</p> |

**Yukon Energy Corporation
2021 General Rate Application**

| NY IR number and particulars | YEC response | NY submissions | YEC response | NY reply | Board ruling |
|--|---|---|---|--|--|
| <p>NY-YEC-1-13(a)</p> <p>a) Please provide a copy of the sound modeling study for the Faro generators.</p> <p>(This study was cited by Travis Ritchie of YEC in a (virtual) meeting that YEC held with the community about the rental diesels on 2-Dec, 2020 – from the YEC meeting summary: “Travis noted that the findings of Yukon Energy’s sound modelling study showed that if all rentals were to be running that predicted sound levels from the site at the nearest point of reception (occupied building) would be less than 1 dB more than what is emitted by the permanent generators.”)</p> | <p>Please see Attachment 1 to this response</p> | <p>The sound study provided is NOT the one requested. Request was for the one referenced by Travis Ritchie of YEC on 2-Dec, 2020 in the meeting with community. The provided study is dated more than two months after the the meeting, so could not have been the one that was cited, and does not address “all the rentals” vs the “permanent generators” as stated by Travis Ritchie of YEC. Does this report exist? Please provide the sound study that YEC referenced in the public meeting.</p> | <p>There is no separate study or report regarding T. Ritchie’s referenced comment on December 2, 2020.</p> <p>The referenced comment by T. Ritchie on December 2, 2020 was to an assessment that was then being undertaken. The results of the assessment were formalized in the final study document provided as Attachment 1 to NY-YEC-1-13(a). This is the study referenced on December 2, 2020.</p> | <p>YEC was requested to provide the sound study that was cited at the public/virtual meeting on December 2, 2020. The study provided in response to the IR was a version dated February 12, 2021, months after the meeting.</p> <p>YEC now states that T Ritchie was citing results of an unfinished (or not formalized) study on a somewhat different topic. Please provide the version of the report that T. Ritchie was citing on December 2, 2020 as requested.</p> <p>And if this was in fact the same study, Travis Ritchie and YEC were knowingly deceptive to the public in stating that the study was, as Travis said, “all the rentals” vs the “permanent generators.” YEC also deceptively referred to this as “Existing Site” on the distributed handout.</p> <p>At no time in the presentation was it explained that “permanent generators” and “existing site” should be interpreted as 10.6MW, a configuration NOT installed, NOT present and NOT permitted in Faro since 2014. So by “existing site,” YEC meant “existing generators AND generators that have not existed here or been assessed here since 2014,” and likewise when Travis Ritchie said “permanent generators” he meant “the configuration of generators that has not been here since 2014, but was in place</p> | <p>The Board accepts YEC’s statement that the responsive study has been provided and that no other study or report exists. Therefore, no further response is required.</p> |

**Yukon Energy Corporation
2021 General Rate Application**

| NY IR number and particulars | YEC response | NY submissions | YEC response | NY reply | Board ruling |
|---|--|---|---|---|--------------------------------------|
| | | | | <p>from 2008-2014.” No members of the public would reasonably expect “existing” or “permanent” to mean “what has not existed since 2014.” This was only revealed when I was able to review the actual report.</p> <p>...</p> <p>While it is accepted that a report with the criteria stated at the public meeting does not exist, a copy of whatever had been received and was being cited at the meeting on 2-December, 2020 would satisfy the request.</p> | |
| <p>NY-YEC-1-13(c)</p> <p>Please provide the most recent air quality assessment and dispersion study for the Faro site, and explain how this will be affected by the addition of the rentals.</p> | <p>Please see Attachment 1 to this response.</p> | <p>YEC was asked to explain/discuss how the rentals would affect the air dispersion modelling. The attached document uses the installed generators and 3 rentals as a baseline, and discusses the effect of adding three more rentals. This does not answer the original request.</p> | <p>The information request was to provide the most recent air quality assessment and dispersion study. This was provided in Attachment 1 to NY-YEC-1- 13(c) (dated December 17, 2020).</p> <p>The study provided assessed two scenarios:</p> <ol style="list-style-type: none"> 1. Existing Permitted Emission Capacity Scenario (10.6 MW) (10.6 MW is the current permitted capacity for the Faro site). 2. Future Expanded Emission Capacity Scenario (16 MW) (including consideration of the additional capacity over the 10.6 MW that is currently permitted). <p>NY’s subsequent request noted in the motion above is for a separate assessment of FD1 and FD7 compared to the</p> | <p>Understood that again, YEC is only studying scenarios in which the most recent 2014 YESAA (2014-0119) does not exist, so the requested document does not exist.</p> <p>A flier YEC recently distributed to Faro residents states “When we added the rental units last winter, we also modelled what air emissions would be like with the addition of the rentals...” Again, this is not true, as the the study models the installed generators FD1 and FD7 AND three of the rentals vs FD1 and FD7 and six of the rentals.</p> | <p>No further response required.</p> |

**Yukon Energy Corporation
2021 General Rate Application**

| NY IR number and particulars | YEC response | NY submissions | YEC response | NY reply | Board ruling |
|-------------------------------------|---------------------|-----------------------|--|-----------------|---------------------|
| | | | additional capacity up to 10.6 MW. This separate assessment was not undertaken or included in the attached study – the focus of the study was on the two scenarios noted above. In response to the motion, YEC can note that the use of new and more efficient diesel rental units to supply generation up to the current 10.6 MW limit would result in less emissions than use of older and less efficient diesel generation units. | | |